

Semi-Annual Shareholder Report

June 30, 2023



Share Class Primary Service

Federated Hermes Quality Bond Fund II

A Portfolio of Federated Hermes Insurance Series

Dear Valued Shareholder,

We are pleased to present the Semi-Annual Shareholder Report for your fund covering the period from January 1, 2023 through June 30, 2023. This report includes a complete listing of your fund's holdings, performance information and financial statements along with other important fund information.

As a global leader in active, responsible investment management, Federated Hermes is guided by our conviction that responsible investing is the best way to create wealth over the long term. The company provides capabilities across a wide range of asset classes to investors around the world.

In addition, FederatedHermes.com/us offers quick and easy access to valuable resources that include timely fund updates, economic and market insights from our investment strategists and financial planning tools. You can also access many of those insights by following us on Twitter (@FederatedHermes) and LinkedIn.

Thank you for investing with us. We hope you find this information useful and look forward to keeping you informed.

Sincerely,

A handwritten signature in black ink, appearing to read "John B. Fisher".

John B. Fisher, President

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Portfolio of Investments Summary Table (unaudited)

At June 30, 2023, the Fund's portfolio composition¹ was as follows:

Security Type	Percentage of Total Net Assets
Corporate Bonds	96.9%
Mortgage-Backed Securities ^{2,3}	0.0%
Securities Lending Collateral ⁴	1.3%
Cash Equivalents ⁵	2.2%
Derivative Contracts ^{3,6}	(0.0)%
Other Assets and Liabilities—Net ⁷	(0.4)%
TOTAL	100%

1 See the Fund's Prospectus and Statement of Additional Information for a description of these security types.

2 For purposes of this table, mortgage-backed securities include mortgage-backed securities guaranteed by Government Sponsored Entities.

3 Represents less than 0.1%.

4 Represents cash collateral received for portfolio securities on loan that may be invested in affiliated money market funds, other money market instruments and/or repurchase agreements.

5 Cash Equivalents include any investments in money market mutual funds and/or overnight repurchase agreements other than those representing cash collateral for securities lending.

6 Based upon net unrealized appreciation (depreciation) or value of the derivative contracts as applicable. Derivative contracts may consist of futures, forwards, options and swaps. The impact of a derivative contract on the Fund's performance may be larger than its unrealized appreciation (depreciation) or value may indicate. In many cases, the notional value or amount of a derivative contract may provide a better indication of the contract's significance to the portfolio. More complete information regarding the Fund's direct investments in derivative contracts, including unrealized appreciation (depreciation), value and notional values or amounts of such contracts, can be found in the table at the end of the Portfolio of Investments included in this Report.

7 Assets, other than investments in securities and derivative contracts, less liabilities. See Statement of Assets and Liabilities.

Portfolio of Investments

June 30, 2023 (unaudited)

Principal Amount		Value
	CORPORATE BONDS—96.9%	
	Basic Industry - Chemicals—0.3%	
\$ 500,000	RPM International, Inc., Sr. Unsecd. Note, 4.550%, 3/1/2029	\$ 469,130
	Basic Industry - Metals & Mining—0.7%	
350,000	Anglo American Capital PLC, Sr. Unsecd. Note, 144A, 2.250%, 3/17/2028	301,175
200,000	Anglo American Capital PLC, Sr. Unsecd. Note, 144A, 2.875%, 3/17/2031	165,275
200,000	Anglo American Capital PLC, Sr. Unsecd. Note, 144A, 5.500%, 5/2/2033	195,504
350,000	Glencore Funding LLC, Sr. Unsecd. Note, 144A, 1.625%, 4/27/2026	315,825
	TOTAL	977,779
	Capital Goods - Aerospace & Defense—2.8%	
600,000	Airbus Group SE, Sr. Unsecd. Note, 144A, 3.150%, 4/10/2027	561,756
280,000	BAE Systems Holdings, Inc., Sr. Unsecd. Note, 144A, 3.850%, 12/15/2025	268,680
200,000	BAE Systems PLC, Sr. Unsecd. Note, 144A, 3.400%, 4/15/2030	181,039
600,000	Boeing Co., Sr. Unsecd. Note, 2.700%, 2/1/2027	548,725
275,000	General Dynamics Corp., Sr. Unsecd. Note, 3.250%, 4/1/2025	266,031
410,000	Huntington Ingalls Industries, Inc., Sr. Unsecd. Note, 3.483%, 12/1/2027	376,091
600,000	Leidos, Inc., Sr. Unsecd. Note, Series WI, 2.300%, 2/15/2031	473,156
335,000	Leidos, Inc., Sr. Unsecd. Note, Series WI, 3.625%, 5/15/2025	321,492
800,000	Raytheon Technologies Corp., Sr. Unsecd. Note, 4.125%, 11/16/2028	771,044
460,000	¹ Textron Financial Corp., Jr. Sub. Note, 144A, 7.055% (3-month USLIBOR +1.735%), 2/15/2042	339,430
	TOTAL	4,107,444
	Capital Goods - Building Materials—1.1%	
415,000	Allegion PLC, Sr. Unsecd. Note, 3.500%, 10/1/2029	366,851
800,000	Allegion US Holdings Co., Inc., Sr. Unsecd. Note, 3.200%, 10/1/2024	768,590
300,000	Masco Corp., Sr. Unsecd. Note, 2.000%, 10/1/2030	237,249
300,000	Masco Corp., Sr. Unsecd. Note, 3.500%, 11/15/2027	280,562
	TOTAL	1,653,252
	Capital Goods - Construction Machinery—1.8%	
500,000	Ashtead Capital, Inc., Sr. Unsecd. Note, 144A, 1.500%, 8/12/2026	437,283
205,000	Ashtead Capital, Inc., Sr. Unsecd. Note, 144A, 5.550%, 5/30/2033	200,030
600,000	CNH Industrial Capital America LLC, Sr. Unsecd. Note, 1.450%, 7/15/2026	530,724
595,000	CNH Industrial NV, Sr. Unsecd. Note, Series MTN, 3.850%, 11/15/2027	559,630
500,000	John Deere Capital Corp., Sr. Unsecd. Note, 3.400%, 6/6/2025	484,454
510,000	Weir Group PLC/The, Sr. Unsecd. Note, 144A, 2.200%, 5/13/2026	457,081
	TOTAL	2,669,202
	Capital Goods - Diversified Manufacturing—2.7%	
700,000	GE Capital Funding LLC, Sr. Unsecd. Note, 4.400%, 5/15/2030	649,971
205,000	Honeywell International, Inc., Sr. Unsecd. Note, 1.350%, 6/1/2025	191,350
400,000	Honeywell International, Inc., Sr. Unsecd. Note, 1.950%, 6/1/2030	336,463
555,000	Hubbell, Inc., Sr. Unsecd. Note, 2.300%, 3/15/2031	458,300
585,000	Lennox International, Inc., Sr. Unsecd. Note, 1.700%, 8/1/2027	508,781
430,000	Roper Technologies, Inc., Sr. Unsecd. Note, 2.000%, 6/30/2030	351,850
875,000	Roper Technologies, Inc., Sr. Unsecd. Note, 3.800%, 12/15/2026	837,353
500,000	Vontier Corp., Sr. Unsecd. Note, Series WI, 2.400%, 4/1/2028	417,117
235,000	Wabtec Corp., Sr. Unsecd. Note, 3.200%, 6/15/2025	223,195
	TOTAL	3,974,380
	Capital Goods - Packaging—0.3%	
500,000	WestRock Co., Sr. Unsecd. Note, Series WI, 3.750%, 3/15/2025	481,330
	Communications - Cable & Satellite—1.9%	
1,000,000	CCO Safari II LLC, 4.908%, 7/23/2025	980,947

Principal Amount		Value
	CORPORATE BONDS—continued	
	Communications - Cable & Satellite—continued	
\$ 900,000	Comcast Corp., Sr. Unsecd. Note, 2.350%, 1/15/2027	\$ 826,791
300,000	Comcast Corp., Sr. Unsecd. Note, 3.300%, 2/1/2027	284,846
750,000	Comcast Corp., Sr. Unsecd. Note, 3.950%, 10/15/2025	731,290
	TOTAL	2,823,874
	Communications - Media & Entertainment—2.0%	
300,000	British Sky Broadcasting Group PLC, Sr. Unsecd. Note, 144A, 3.750%, 9/16/2024	292,969
220,000	Meta Platforms, Inc., Sr. Unsecd. Note, 3.500%, 8/15/2027	208,999
250,000	Meta Platforms, Inc., Sr. Unsecd. Note, 3.850%, 8/15/2032	232,335
500,000	Netflix, Inc., Sr. Unsecd. Note, 4.375%, 11/15/2026	488,716
310,000	² Paramount Global, Sr. Unsecd. Note, 4.200%, 5/19/2032	259,926
805,000	S&P Global, Inc., Sr. Unsecd. Note, 2.900%, 3/1/2032	698,069
355,000	Warnermedia Holdings, Inc., Sr. Unsecd. Note, 3.755%, 3/15/2027	331,274
500,000	Warnermedia Holdings, Inc., Sr. Unsecd. Note, 4.054%, 3/15/2029	457,286
	TOTAL	2,969,574
	Communications - Telecom Wireless—1.6%	
500,000	American Tower Corp., Sr. Unsecd. Note, 1.450%, 9/15/2026	440,337
180,000	Crown Castle, Inc., Sr. Unsecd. Note, 2.250%, 1/15/2031	146,867
250,000	Crown Castle, Inc., Sr. Unsecd. Note, 4.800%, 9/1/2028	242,770
250,000	Crown Castle, Inc., Sr. Unsecd. Note, 5.100%, 5/1/2033	245,859
450,000	T-Mobile USA, Inc., Series WI, 3.750%, 4/15/2027	426,190
450,000	T-Mobile USA, Inc., Sec. Fac. Bond, Series WI, 3.875%, 4/15/2030	414,839
395,000	Vodafone Group PLC, Sr. Unsecd. Note, 4.125%, 5/30/2025	385,573
	TOTAL	2,302,435
	Communications - Telecom Wirelines—1.6%	
300,000	AT&T, Inc., Sr. Unsecd. Note, 2.300%, 6/1/2027	269,953
877,000	AT&T, Inc., Sr. Unsecd. Note, 2.550%, 12/1/2033	689,165
250,000	Telefonica SA, Company Guarantee, 7.045%, 6/20/2036	272,799
300,000	Verizon Communications, Inc., Sr. Unsecd. Note, 0.850%, 11/20/2025	270,698
800,000	Verizon Communications, Inc., Sr. Unsecd. Note, 1.750%, 1/20/2031	631,461
110,000	Verizon Communications, Inc., Sr. Unsecd. Note, 2.550%, 3/21/2031	91,875
175,000	² Verizon Communications, Inc., Sr. Unsecd. Note, 3.150%, 3/22/2030	155,609
	TOTAL	2,381,560
	Consumer Cyclical - Automotive—3.9%	
605,000	Daimler Trucks Financial NA, Sr. Unsecd. Note, 144A, 2.000%, 12/14/2026	540,468
300,000	² Daimler Trucks Financial NA, Sr. Unsecd. Note, 144A, 5.125%, 1/19/2028	297,519
250,000	Ford Motor Co., Sr. Unsecd. Note, 4.346%, 12/8/2026	241,841
250,000	² General Motors Co., Sr. Unsecd. Note, 4.200%, 10/1/2027	237,006
250,000	General Motors Co., Sr. Unsecd. Note, 6.125%, 10/1/2025	251,800
500,000	General Motors Financial Co., Inc., 1.250%, 1/8/2026	446,317
500,000	General Motors Financial Co., Inc., Sr. Unsecd. Note, 2.400%, 4/10/2028	431,419
300,000	General Motors Financial Co., Inc., Sr. Unsecd. Note, 4.000%, 10/6/2026	284,653
210,000	General Motors Financial Co., Inc., Sr. Unsecd. Note, 5.850%, 4/6/2030	208,366
1,000,000	Mercedes-Benz Finance NA LLC, Sr. Unsecd. Note, 144A, 3.250%, 8/1/2024	974,132
680,000	Nissan Motor Acceptance Company LLC., Sr. Unsecd. Note, 144A, 1.125%, 9/16/2024	633,725
200,000	Stellantis Finance US, Inc., Sr. Unsecd. Note, 144A, 1.711%, 1/29/2027	175,355
500,000	Toyota Motor Credit Corp., Sr. Unsecd. Note, 3.950%, 6/30/2025	489,271
500,000	Volkswagen Group of America Finance LLC, Sr. Unsecd. Note, 144A, 1.250%, 11/24/2025	450,860
	TOTAL	5,662,732
	Consumer Cyclical - Retailers—4.0%	
1,000,000	Advance Auto Parts, Inc., Sr. Unsecd. Note, Series WI, 3.900%, 4/15/2030	852,745
470,000	Alimentation Couche-Tard, Inc., Sr. Unsecd. Note, 144A, 2.950%, 1/25/2030	404,246

Principal Amount		Value
	CORPORATE BONDS—continued	
	Consumer Cyclical - Retailers—continued	
\$ 265,000	AutoNation, Inc., Sr. Unsecd. Note, 4.750%, 6/1/2030	\$ 247,976
240,000	AutoZone, Inc., Sr. Unsecd. Note, 4.750%, 2/1/2033	230,016
275,000	Costco Wholesale Corp., Sr. Unsecd. Note, 1.375%, 6/20/2027	242,951
1,290,000	CVS Health Corp., Sr. Unsecd. Note, 4.300%, 3/25/2028	1,244,992
500,000	Dollar Tree, Inc., Sr. Unsecd. Note, 4.000%, 5/15/2025	484,245
800,000	Home Depot, Inc., Sr. Unsecd. Note, 2.125%, 9/15/2026	738,205
410,000	Home Depot, Inc., Sr. Unsecd. Note, 2.875%, 4/15/2027	385,526
320,000	O'Reilly Automotive, Inc., Sr. Unsecd. Note, 1.750%, 3/15/2031	252,318
120,000	O'Reilly Automotive, Inc., Sr. Unsecd. Note, 4.200%, 4/1/2030	113,379
580,000	Tractor Supply Co., Sr. Unsecd. Note, 1.750%, 11/1/2030	459,751
90,000	Tractor Supply Co., Sr. Unsecd. Note, 5.250%, 5/15/2033	89,341
	TOTAL	5,745,691
	Consumer Cyclical - Services—2.4%	
200,000	Alibaba Group Holding Ltd., Sr. Unsecd. Note, 2.125%, 2/9/2031	162,965
500,000	Alibaba Group Holding Ltd., Sr. Unsecd. Note, 3.400%, 12/6/2027	465,210
300,000	Amazon.com, Inc., Sr. Unsecd. Note, 3.000%, 4/13/2025	289,538
170,000	Amazon.com, Inc., Sr. Unsecd. Note, 3.150%, 8/22/2027	160,078
760,000	Amazon.com, Inc., Sr. Unsecd. Note, 3.300%, 4/13/2027	724,305
400,000	Booking Holdings, Inc., Sr. Unsecd. Note, 4.625%, 4/13/2030	390,043
750,000	Cintas Corp. No. 2, Sr. Unsecd. Note, 3.700%, 4/1/2027	723,365
54,000	Expedia Group, Inc., Sr. Unsecd. Note, Series WI, 2.950%, 3/15/2031	45,562
530,000	Visa, Inc., Sr. Unsecd. Note, 3.150%, 12/14/2025	508,225
	TOTAL	3,469,291
	Consumer Non-Cyclical - Food/Beverage—5.3%	
750,000	Anheuser-Busch InBev Worldwide, Inc., Sr. Unsecd. Note, 4.750%, 1/23/2029	747,155
1,015,000	Coca-Cola Femsa S.A.B. de C.V., Sr. Unsecd. Note, 2.750%, 1/22/2030	893,041
750,000	Constellation Brands, Inc., Sr. Unsecd. Note, 4.650%, 11/15/2028	736,022
380,000	Flowers Foods, Inc., Sr. Unsecd. Note, 3.500%, 10/1/2026	356,725
500,000	Grupo Bimbo S.A.B. de CV, Sr. Unsecd. Note, 144A, 3.875%, 6/27/2024	490,308
915,000	International Flavors & Fragrances, Inc., Sr. Unsecd. Note, 144A, 1.230%, 10/1/2025	816,149
450,000	Keurig Dr Pepper, Inc., Sr. Unsecd. Note, 4.417%, 5/25/2025	441,290
417,000	Kraft Heinz Foods Co., Sr. Unsecd. Note, 3.000%, 6/1/2026	393,636
900,000	Kraft Heinz Foods Co., Sr. Unsecd. Note, Series WI, 3.875%, 5/15/2027	864,605
300,000	PepsiCo, Inc., Sr. Unsecd. Note, 2.625%, 7/29/2029	270,460
300,000	Smithfield Foods, Inc., Sr. Unsecd. Note, 144A, 2.625%, 9/13/2031	221,896
510,000	Smithfield Foods, Inc., Sr. Unsecd. Note, 144A, 3.000%, 10/15/2030	400,251
60,000	Smithfield Foods, Inc., Sr. Unsecd. Note, 144A, 4.250%, 2/1/2027	55,329
450,000	Sysco Corp., Sr. Unsecd. Note, 3.250%, 7/15/2027	420,422
700,000	Sysco Corp., Sr. Unsecd. Note, 3.300%, 7/15/2026	661,468
	TOTAL	7,768,757
	Consumer Non-Cyclical - Health Care—1.5%	
250,000	Becton Dickinson & Co., Sr. Unsecd. Note, 3.700%, 6/6/2027	237,832
203,000	Becton Dickinson & Co., Sr. Unsecd. Note, 3.734%, 12/15/2024	197,155
235,000	DH Europe Finance II S.a.r.l., Sr. Unsecd. Note, 2.600%, 11/15/2029	206,968
470,000	DH Europe Finance II S.a.r.l., Sr. Unsecd. Note, Series 5YR, 2.200%, 11/15/2024	450,335
300,000	GE Healthcare Holding LLC, Sr. Unsecd. Note, 5.857%, 3/15/2030	308,073
300,000	GE Healthcare Holding LLC, Sr. Unsecd. Note, 5.905%, 11/22/2032	313,983
85,000	HCA, Inc., Sec. Fac. Bond, 144A, 3.125%, 3/15/2027	78,110
450,000	PerkinElmer, Inc., Sr. Unsecd. Note, 3.300%, 9/15/2029	402,408
	TOTAL	2,194,864

Principal Amount		Value
	CORPORATE BONDS—continued	
	Consumer Non-Cyclical - Pharmaceuticals—4.5%	
\$ 500,000	Abbott Laboratories, Sr. Unsecd. Note, 1.150%, 1/30/2028	\$ 433,002
453,000	Abbott Laboratories, Sr. Unsecd. Note, 3.750%, 11/30/2026	441,910
455,000	AbbVie, Inc., Sr. Unsecd. Note, 3.200%, 11/21/2029	411,736
300,000	AbbVie, Inc., Sr. Unsecd. Note, 3.600%, 5/14/2025	290,113
67,000	AbbVie, Inc., Sr. Unsecd. Note, 4.750%, 3/15/2045	61,332
1,000,000	² Amgen, Inc., Sr. Unsecd. Note, 5.250%, 3/2/2030	1,002,759
140,000	Amgen, Inc., Sr. Unsecd. Note, 5.507%, 3/2/2026	139,767
235,000	AstraZeneca PLC, Sr. Unsecd. Note, 0.700%, 4/8/2026	210,039
600,000	AstraZeneca PLC, Sr. Unsecd. Note, 3.125%, 6/12/2027	563,868
200,000	Bayer US Finance II LLC, Sr. Unsecd. Note, 144A, 4.250%, 12/15/2025	193,045
235,000	Biogen, Inc., Sr. Unsecd. Note, 2.250%, 5/1/2030	196,445
600,000	Biogen, Inc., Sr. Unsecd. Note, 4.050%, 9/15/2025	580,693
152,000	Bristol-Myers Squibb Co., Sr. Unsecd. Note, Series WI, 5.000%, 8/15/2045	151,693
220,000	Gilead Sciences, Inc., Sr. Unsecd. Note, 3.650%, 3/1/2026	211,719
350,000	Pfizer Investment Enterprises Pte Ltd., Sr. Unsecd. Note, 4.450%, 5/19/2028	344,176
350,000	Pfizer Investment Enterprises Pte Ltd., Sr. Unsecd. Note, 4.650%, 5/19/2030	345,992
670,000	Regeneron Pharmaceuticals, Inc., Sr. Unsecd. Note, 1.750%, 9/15/2030	534,384
240,000	Royalty Pharma PLC, Sr. Unsecd. Note, Series WI, 1.200%, 9/2/2025	216,530
300,000	Teva Pharmaceutical Finance Netherlands III B.V., Sr. Unsecd. Note, 3.150%, 10/1/2026	269,192
	TOTAL	6,598,395
	Consumer Non-Cyclical - Products—0.3%	
200,000	Kenvue, Inc., Sr. Unsecd. Note, 144A, 5.000%, 3/22/2030	202,049
200,000	Kenvue, Inc., Sr. Unsecd. Note, 144A, 5.350%, 3/22/2026	201,621
	TOTAL	403,670
	Consumer Non-Cyclical - Supermarkets—0.5%	
610,000	Kroger Co., Bond, 6.900%, 4/15/2038	676,855
	Consumer Non-Cyclical - Tobacco—1.9%	
350,000	Altria Group, Inc., Sr. Unsecd. Note, 4.400%, 2/14/2026	342,647
250,000	BAT Capital Corp., Sr. Unsecd. Note, 2.259%, 3/25/2028	214,440
300,000	BAT Capital Corp., Sr. Unsecd. Note, 7.750%, 10/19/2032	330,388
290,000	BAT International Finance PLC, Sr. Unsecd. Note, 144A, 3.950%, 6/15/2025	279,398
300,000	Philip Morris International, Inc., Sr. Unsecd. Note, 5.125%, 11/17/2027	301,134
500,000	Philip Morris International, Inc., Sr. Unsecd. Note, 5.125%, 2/15/2030	494,819
140,000	Philip Morris International, Inc., Sr. Unsecd. Note, 5.625%, 11/17/2029	142,762
300,000	Reynolds American, Inc., Sr. Unsecd. Note, 4.450%, 6/12/2025	291,663
360,000	Reynolds American, Inc., Sr. Unsecd. Note, 7.000%, 8/4/2041	357,741
	TOTAL	2,754,992
	Energy - Independent—2.1%	
215,000	Cimarex Energy Co., Sr. Unsecd. Note, 4.375%, 3/15/2029	182,306
160,000	Diamondback Energy, Inc., Sr. Unsecd. Note, 6.250%, 3/15/2033	165,583
700,000	Hess Corp., Sr. Unsecd. Note, 4.300%, 4/1/2027	671,740
300,000	Marathon Oil Corp., Sr. Unsecd. Note, 4.400%, 7/15/2027	286,290
100,000	Occidental Petroleum Corp., Sr. Unsecd. Note, 2.900%, 8/15/2024	96,357
1,000,000	Occidental Petroleum Corp., Sr. Unsecd. Note, 3.450%, 7/15/2024	971,935
325,000	Pioneer Natural Resources, Inc., Sr. Unsecd. Note, 1.125%, 1/15/2026	292,814
550,000	Pioneer Natural Resources, Inc., Sr. Unsecd. Note, 2.150%, 1/15/2031	450,386
	TOTAL	3,117,411
	Energy - Integrated—2.0%	
500,000	BP Capital Markets America, Inc., Sr. Unsecd. Note, 3.796%, 9/21/2025	487,584
300,000	Cenovus Energy, Inc., Sr. Unsecd. Note, 2.650%, 1/15/2032	242,348
500,000	Cenovus Energy, Inc., Sr. Unsecd. Note, 4.250%, 4/15/2027	478,460

Principal Amount		Value
	CORPORATE BONDS—continued	
	Energy - Integrated—continued	
\$ 500,000	Chevron Corp., Sr. Unsecd. Note, 1.554%, 5/11/2025	\$ 468,707
530,000	² CNPC Hong Kong Overseas Capital Ltd., Company Guarantee, 144A, 5.950%, 4/28/2041	588,844
240,000	Husky Energy, Inc., Sr. Unsecd. Note, 4.400%, 4/15/2029	220,480
175,000	Petroleos Mexicanos, Sr. Unsecd. Note, 4.875%, 1/18/2024	172,113
325,000	Shell International Finance B.V., Sr. Unsecd. Note, 2.875%, 5/10/2026	309,666
	TOTAL	2,968,202
	Energy - Midstream—2.6%	
265,000	Boardwalk Pipeline Partners LP, Sr. Unsecd. Note, 3.400%, 2/15/2031	228,273
500,000	Boardwalk Pipeline Partners LP, Sr. Unsecd. Note, 4.800%, 5/3/2029	479,893
205,000	Eastern Energy Gas Holdings, Sr. Unsecd. Note, Series A, 2.500%, 11/15/2024	195,880
300,000	Energy Transfer LP, Sr. Unsecd. Note, 3.750%, 5/15/2030	270,908
290,000	MPLX LP, Sr. Unsecd. Note, 1.750%, 3/1/2026	263,376
395,000	MPLX LP, Sr. Unsecd. Note, 4.125%, 3/1/2027	378,189
345,000	ONEOK, Inc., Sr. Unsecd. Note, 4.000%, 7/13/2027	323,133
120,000	ONEOK, Inc., Sr. Unsecd. Note, 6.100%, 11/15/2032	122,126
500,000	Plains All American Pipeline LP, Sr. Unsecd. Note, 3.550%, 12/15/2029	441,005
140,000	Targa Resources, Inc., Sr. Unsecd. Note, 4.200%, 2/1/2033	124,030
400,000	Targa Resources, Inc., Sr. Unsecd. Note, 6.125%, 3/15/2033	408,924
600,000	TC Pipelines, LP, Sr. Unsecd. Note, 3.900%, 5/25/2027	571,922
	TOTAL	3,807,659
	Energy - Oil Field Services—0.5%	
200,000	Ovintiv, Inc., Sr. Unsecd. Note, 5.650%, 5/15/2028	196,187
180,000	Ovintiv, Inc., Sr. Unsecd. Note, 6.250%, 7/15/2033	177,655
300,000	Schlumberger Holdings Corp., Sr. Unsecd. Note, 144A, 4.000%, 12/21/2025	290,214
	TOTAL	664,056
	Energy - Refining—0.9%	
600,000	Marathon Petroleum Corp., Sr. Unsecd. Note, 4.700%, 5/1/2025	588,923
185,000	Phillips 66, Sr. Unsecd. Note, 1.300%, 2/15/2026	167,291
335,000	Valero Energy Corp., Sr. Unsecd. Note, 6.625%, 6/15/2037	359,819
215,000	Valero Energy Corp., Sr. Unsecd. Note, 7.500%, 4/15/2032	242,564
	TOTAL	1,358,597
	Financial Institution - Banking—22.4%	
1,085,000	Associated Banc-Corp., Sub. Note, 4.250%, 1/15/2025	1,014,332
700,000	Bank of America Corp., Sr. Unsecd. Note, 1.734%, 7/22/2027	625,329
1,900,000	Bank of America Corp., Sr. Unsecd. Note, 2.592%, 4/29/2031	1,596,068
1,250,000	Bank of America Corp., Sr. Unsecd. Note, 3.705%, 4/24/2028	1,172,487
500,000	Bank of America Corp., Sr. Unsecd. Note, Series MTN, 3.248%, 10/21/2027	466,188
500,000	Bank of America Corp., Sr. Unsecd. Note, Series MTN, 4.271%, 7/23/2029	474,767
250,000	Bank of New York Mellon Corp., Sr. Unsecd. Note, 2.050%, 1/26/2027	225,158
300,000	Bank of New York Mellon Corp., Sr. Unsecd. Note, 3.350%, 4/25/2025	288,662
550,000	Bank of New York Mellon Corp., Sr. Unsecd. Note, Series MTN, 3.250%, 9/11/2024	533,471
400,000	Capital One Financial Corp., Sr. Unsecd. Note, 5.817%, 2/1/2034	381,816
500,000	Citigroup, Inc., 4.125%, 7/25/2028	471,683
250,000	Citigroup, Inc., Sr. Unsecd. Note, 1.122%, 1/28/2027	222,966
1,400,000	Citigroup, Inc., Sr. Unsecd. Note, 2.572%, 6/3/2031	1,168,664
480,000	Citigroup, Inc., Sr. Unsecd. Note, 3.400%, 5/1/2026	456,748
500,000	Citigroup, Inc., Sr. Unsecd. Note, 3.700%, 1/12/2026	479,900
250,000	Citigroup, Inc., Sr. Unsecd. Note, 3.887%, 1/10/2028	237,066
500,000	Citigroup, Inc., Sr. Unsecd. Note, 4.075%, 4/23/2029	471,148
90,000	Citizens Financial Group, Inc., Sr. Unsecd. Note, 2.500%, 2/6/2030	70,631
300,000	Comerica, Inc., 3.800%, 7/22/2026	267,280

Principal Amount		Value
	CORPORATE BONDS—continued	
	Financial Institution - Banking—continued	
\$ 500,000	Compass Bank, Birmingham, Sub. Note, Series BKNT, 3.875%, 4/10/2025	\$ 477,614
140,000	Fifth Third Bancorp, Sr. Unsecd. Note, 2.375%, 1/28/2025	131,092
250,000	² Fifth Third Bank, Sr. Unsecd. Note, Series BKNT, 2.250%, 2/1/2027	218,934
300,000	FNB Corp. (PA), Sr. Unsecd. Note, 5.150%, 8/25/2025	287,402
200,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 1.431%, 3/9/2027	178,801
750,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 1.992%, 1/27/2032	590,715
250,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 2.640%, 2/24/2028	227,028
1,250,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 3.500%, 11/16/2026	1,172,691
500,000	Goldman Sachs Group, Inc., Sr. Unsecd. Note, 4.223%, 5/1/2029	472,566
500,000	Goldman Sachs Group, Inc., Sub. Note, 4.250%, 10/21/2025	482,079
1,000,000	HSBC USA, Inc., Sr. Unsecd. Note, 3.500%, 6/23/2024	976,968
240,000	Huntington Bancshares, Inc., Sr. Unsecd. Note, 2.550%, 2/4/2030	192,514
1,000,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 1.045%, 11/19/2026	896,147
1,000,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 2.545%, 11/8/2032	819,739
500,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 2.580%, 4/22/2032	415,487
500,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 3.845%, 6/14/2025	489,150
500,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 4.323%, 4/26/2028	482,916
500,000	JPMorgan Chase & Co., Sr. Unsecd. Note, 4.452%, 12/5/2029	479,555
410,000	M&T Bank Corp., Sr. Unsecd. Note, 4.553%, 8/16/2028	384,015
250,000	M&T Bank Corp., Sr. Unsecd. Note, 5.053%, 1/27/2034	228,484
550,000	Morgan Stanley, Sr. Unsecd. Note, 0.985%, 12/10/2026	490,646
1,000,000	Morgan Stanley, Sr. Unsecd. Note, 3.625%, 1/20/2027	950,293
210,000	Morgan Stanley, Sr. Unsecd. Note, 5.123%, 2/1/2029	207,235
500,000	Morgan Stanley, Sr. Unsecd. Note, 6.342%, 10/18/2033	532,130
500,000	Morgan Stanley, Sr. Unsecd. Note, Series GMTN, 2.239%, 7/21/2032	397,598
165,000	Morgan Stanley, Sr. Unsecd. Note, Series GMTN, 2.699%, 1/22/2031	140,400
500,000	PNC Financial Services Group, Inc., Sr. Unsecd. Note, 3.150%, 5/19/2027	462,191
500,000	PNC Financial Services Group, Inc., Sr. Unsecd. Note, 5.068%, 1/24/2034	479,658
200,000	PNC Financial Services Group, Inc., Sr. Unsecd. Note, 5.582%, 6/12/2029	199,203
330,000	² Regions Financial Corp., Sr. Unsecd. Note, 2.250%, 5/18/2025	305,399
700,000	State Street Corp., Sr. Unsecd. Note, 3.300%, 12/16/2024	675,846
65,000	State Street Corp., Sr. Unsecd. Note, 4.421%, 5/13/2033	61,719
1,200,000	Synovus Bank GA, Sr. Unsecd. Note, 5.625%, 2/15/2028	1,085,169
300,000	Synovus Financial Corp., Sr. Unsecd. Note, 5.200%, 8/11/2025	285,846
200,000	Truist Bank, Sub. Note, Series BKNT, 3.300%, 5/15/2026	183,496
500,000	Truist Financial Corp., Sr. Unsecd. Note, Series MTN, 1.125%, 8/3/2027	421,357
500,000	Truist Financial Corp., Sr. Unsecd. Note, Series MTN, 4.123%, 6/6/2028	471,595
400,000	Truist Financial Corp., Sr. Unsecd. Note, Series MTN, 5.122%, 1/26/2034	379,203
250,000	US Bancorp, Sr. Unsecd. Note, 5.836%, 6/12/2034	251,924
1,250,000	US Bancorp, Sr. Unsecd. Note, Series MTN, 2.215%, 1/27/2028	1,108,816
750,000	Wells Fargo & Co., Sr. Unsecd. Note, 2.188%, 4/30/2026	703,069
1,320,000	Wells Fargo & Co., Sr. Unsecd. Note, 3.000%, 10/23/2026	1,226,208
235,000	Wells Fargo & Co., Sr. Unsecd. Note, 5.389%, 4/24/2034	233,608
250,000	Wells Fargo & Co., Sr. Unsecd. Note, Series MTN, 2.406%, 10/30/2025	238,165
1,000,000	Wells Fargo & Co., Sr. Unsecd. Note, Series MTN, 2.572%, 2/11/2031	847,282
	TOTAL	32,566,317
	Financial Institution - Broker/Asset Mgr/Exchange—1.4%	
500,000	Charles Schwab Corp., Sr. Unsecd. Note, 3.625%, 4/1/2025	480,996
220,000	Invesco Finance PLC, Sr. Unsecd. Note, 3.750%, 1/15/2026	212,166
200,000	Jefferies Group LLC, Sr. Unsecd. Note, 6.500%, 1/20/2043	200,569
245,000	Nuveen LLC, Sr. Unsecd. Note, 144A, 4.000%, 11/1/2028	231,371

Principal Amount		Value
	CORPORATE BONDS—continued	
	Financial Institution - Broker/Asset Mgr/Exchange—continued	
\$ 595,000	Raymond James Financial, Inc., Sr. Unsecd. Note, 4.650%, 4/1/2030	\$ 580,235
390,000	Stifel Financial Corp., Sr. Unsecd. Note, 4.250%, 7/18/2024	381,909
	TOTAL	2,087,246
	Financial Institution - Finance Companies—1.9%	
190,000	AerCap Ireland Capital Ltd. / AerCap Global Aviation Trust, Sr. Unsecd. Note, 1.750%, 1/30/2026	170,681
205,000	AerCap Ireland Capital Ltd. / AerCap Global Aviation Trust, Sr. Unsecd. Note, 3.000%, 10/29/2028	177,414
200,000	AerCap Ireland Capital Ltd. / AerCap Global Aviation Trust, Sr. Unsecd. Note, 3.500%, 1/15/2025	191,599
550,000	AerCap Ireland Capital Ltd. / AerCap Global Aviation Trust, Sr. Unsecd. Note, 4.625%, 10/15/2027	521,646
700,000	Air Lease Corp., Sr. Unsecd. Note, 1.875%, 8/15/2026	622,152
550,000	Air Lease Corp., Sr. Unsecd. Note, 3.625%, 12/1/2027	502,290
140,000	Air Lease Corp., Sr. Unsecd. Note, 5.850%, 12/15/2027	139,946
180,000	Ally Financial, Inc., Sr. Unsecd. Note, 6.992%, 6/13/2029	177,927
250,000	Discover Financial Services, Sr. Unsecd. Note, 4.100%, 2/9/2027	232,138
	TOTAL	2,735,793
	Financial Institution - Insurance - Health—1.1%	
645,000	Centene Corp., Sr. Unsecd. Note, 2.450%, 7/15/2028	551,940
200,000	The Cigna Group, Sr. Unsecd. Note, 4.375%, 10/15/2028	193,493
400,000	The Cigna Group, Sr. Unsecd. Note, 5.685%, 3/15/2026	400,563
405,000	UnitedHealth Group, Inc., Sr. Unsecd. Note, 3.750%, 7/15/2025	394,357
	TOTAL	1,540,353
	Financial Institution - Insurance - Life—0.9%	
350,000	AIA Group Ltd., Sr. Unsecd. Note, 144A, 3.600%, 4/9/2029	324,266
550,000	Lincoln National Corp., Sr. Unsecd. Note, 3.050%, 1/15/2030	455,373
172,000	Massachusetts Mutual Life Insurance Co., Sub. Note, 144A, 8.875%, 6/1/2039	214,940
290,000	Met Life Global Funding I, Sec. Fac. Bond, 144A, 0.550%, 6/7/2024	276,131
	TOTAL	1,270,710
	Financial Institution - Insurance - P&C—0.7%	
300,000	Chubb INA Holdings, Inc., Sr. Unsecd. Note, 3.350%, 5/15/2024	294,126
250,000	CNA Financial Corp., Sr. Unsecd. Note, 3.450%, 8/15/2027	232,003
95,000	CNA Financial Corp., Sr. Unsecd. Note, 3.900%, 5/1/2029	87,305
300,000	Nationwide Mutual Insurance Co., Sub. Note, 144A, 9.375%, 8/15/2039	387,029
	TOTAL	1,000,463
	Financial Institution - REIT - Apartment—1.2%	
395,000	Avalonbay Communities, Inc., Sr. Unsecd. Note, Series MTN, 3.350%, 5/15/2027	368,931
115,000	Camden Property Trust, Sr. Unsecd. Note, 2.800%, 5/15/2030	99,976
500,000	Mid-America Apartment Communities LP, Sr. Unsecd. Note, 3.750%, 6/15/2024	490,362
320,000	Mid-America Apartment Communities LP, Sr. Unsub. Note, 1.700%, 2/15/2031	252,915
500,000	UDR, Inc., Sr. Unsecd. Note, Series MTN, 2.950%, 9/1/2026	457,516
	TOTAL	1,669,700
	Financial Institution - REIT - Healthcare—1.2%	
445,000	Healthcare Trust of America, Sr. Unsecd. Note, 2.000%, 3/15/2031	342,031
710,000	Physicians Realty Trust, Sr. Unsecd. Note, 4.300%, 3/15/2027	669,062
375,000	Welltower, Inc., Sr. Unsecd. Note, 2.750%, 1/15/2031	309,760
500,000	Welltower, Inc., Sr. Unsecd. Note, 3.100%, 1/15/2030	433,646
	TOTAL	1,754,499
	Financial Institution - REIT - Office—0.6%	
250,000	Alexandria Real Estate Equities, Inc., Sr. Unsecd. Note, 4.900%, 12/15/2030	242,300
480,000	Boston Properties LP, Sr. Unsecd. Note, 3.200%, 1/15/2025	455,575
80,000	Boston Properties LP, Sr. Unsecd. Note, 3.250%, 1/30/2031	65,269
120,000	Piedmont Operating Partnership, LP, Sr. Unsecd. Note, 2.750%, 4/1/2032	81,039
	TOTAL	844,183

Principal Amount		Value
	CORPORATE BONDS—continued	
	Financial Institution - REIT - Other—0.7%	
\$ 320,000	ProLogis LP, Sr. Unsecd. Note, 4.375%, 2/1/2029	\$ 307,793
275,000	WP Carey, Inc., Sr. Unsecd. Note, 2.400%, 2/1/2031	221,354
450,000	WP Carey, Inc., Sr. Unsecd. Note, 4.600%, 4/1/2024	443,924
	TOTAL	973,071
	Financial Institution - REIT - Retail—0.6%	
250,000	Kimco Realty Corp., Sr. Unsecd. Note, 1.900%, 3/1/2028	210,882
410,000	Kimco Realty Corp., Sr. Unsecd. Note, 2.700%, 3/1/2024	400,649
250,000	Kimco Realty Corp., Sr. Unsecd. Note, 2.700%, 10/1/2030	206,444
	TOTAL	817,975
	Sovereign—0.4%	
510,000	Inter-American Development Bank, Series MTN, 6.750%, 7/15/2027	545,430
	Technology—5.4%	
315,000	Apple, Inc., Sr. Unsecd. Note, 1.125%, 5/11/2025	293,610
125,000	Apple, Inc., Sr. Unsecd. Note, 4.450%, 5/6/2044	121,923
340,000	Automatic Data Processing, Inc., Sr. Unsecd. Note, 3.375%, 9/15/2025	328,894
666,000	Broadcom, Inc., Sr. Unsecd. Note, 4.110%, 9/15/2028	629,661
135,000	Broadcom, Inc., Sr. Unsecd. Note, 144A, 3.419%, 4/15/2033	112,957
250,000	Broadcom, Inc., Sr. Unsecd. Note, 144A, 4.000%, 4/15/2029	231,082
250,000	CDW LLC / CDW Finance, Sr. Unsecd. Note, 2.670%, 12/1/2026	224,755
250,000	Dell International LLC / EMC Corp., Sr. Unsecd. Note, 5.300%, 10/1/2029	248,331
150,000	Dell International LLC / EMC Corp., Sr. Unsecd. Note, 5.850%, 7/15/2025	150,620
250,000	Fiserv, Inc., Sr. Unsecd. Note, 2.650%, 6/1/2030	213,204
230,000	Fiserv, Inc., Sr. Unsecd. Note, 2.750%, 7/1/2024	223,215
500,000	Fiserv, Inc., Sr. Unsecd. Note, 4.200%, 10/1/2028	479,137
175,000	Intel Corp., Sr. Unsecd. Note, 3.400%, 3/25/2025	169,680
100,000	Keysight Technologies, Inc., Sr. Unsecd. Note, 3.000%, 10/30/2029	87,654
460,000	Keysight Technologies, Inc., Sr. Unsecd. Note, 4.550%, 10/30/2024	452,398
310,000	Lam Research Corp., Sr. Unsecd. Note, 4.000%, 3/15/2029	299,349
750,000	Microsoft Corp., Sr. Unsecd. Note, 2.400%, 8/8/2026	704,284
500,000	Oracle Corp., Sr. Unsecd. Note, 1.650%, 3/25/2026	453,936
750,000	Oracle Corp., Sr. Unsecd. Note, 3.400%, 7/8/2024	731,415
230,000	Oracle Corp., Sr. Unsecd. Note, 6.150%, 11/9/2029	239,713
260,000	Total System Services, Inc., Sr. Unsecd. Note, 4.450%, 6/1/2028	244,193
400,000	Trimble, Inc., Sr. Unsecd. Note, 6.100%, 3/15/2033	405,437
600,000	Verisk Analytics, Inc., Sr. Unsecd. Note, 4.125%, 3/15/2029	573,271
265,000	VMware, Inc., Sr. Unsecd. Note, 1.400%, 8/15/2026	234,136
	TOTAL	7,852,855
	Technology Services—0.7%	
255,000	Fortinet, Inc., Sr. Unsecd. Note, 1.000%, 3/15/2026	227,731
320,000	Global Payments, Inc., Sr. Unsecd. Note, 1.200%, 3/1/2026	284,522
300,000	Global Payments, Inc., Sr. Unsecd. Note, 2.150%, 1/15/2027	266,886
90,000	Global Payments, Inc., Sr. Unsecd. Note, 2.900%, 5/15/2030	76,366
145,000	Verisign, Inc., Sr. Unsecd. Note, 2.700%, 6/15/2031	120,776
	TOTAL	976,281
	Transportation - Airlines—0.1%	
215,000	Southwest Airlines Co., Sr. Unsecd. Note, 5.250%, 5/4/2025	212,817
	Transportation - Railroads—0.6%	
500,000	Canadian Pacific Railway Co., Sr. Unsecd. Note, 2.450%, 12/2/2031	438,156
500,000	Union Pacific Corp., Sr. Unsecd. Note, 2.150%, 2/5/2027	457,144
	TOTAL	895,300

Principal Amount		Value
	CORPORATE BONDS—continued	
	Transportation - Services—1.9%	
\$ 735,000	GXO Logistics, Inc., Sr. Unsecd. Note, Series WI, 1.650%, 7/15/2026	\$ 639,678
315,000	GXO Logistics, Inc., Sr. Unsecd. Note, Series WI, 2.650%, 7/15/2031	245,578
215,000	Penske Truck Leasing Co. LP & PTL Finance Corp., Sr. Unsecd. Note, 144A, 1.200%, 11/15/2025	191,332
250,000	Penske Truck Leasing Co. LP & PTL Finance Corp., Sr. Unsecd. Note, 144A, 1.700%, 6/15/2026	220,940
300,000	Penske Truck Leasing Co. LP & PTL Finance Corp., Sr. Unsecd. Note, 144A, 3.450%, 7/1/2024	292,331
250,000	Penske Truck Leasing Co. LP & PTL Finance Corp., Sr. Unsecd. Note, 144A, 4.450%, 1/29/2026	239,573
350,000	Ryder System, Inc., Sr. Unsecd. Note, Series MTN, 1.750%, 9/1/2026	313,089
590,000	United Parcel Service, Inc., Sr. Unsecd. Note, 3.900%, 4/1/2025	577,610
	TOTAL	2,720,131
	Utility - Electric—4.9%	
310,000	AEP Texas, Inc., Sr. Unsecd. Note, 3.850%, 10/1/2025	295,248
185,000	Ameren Corp., Sr. Unsecd. Note, 1.950%, 3/15/2027	164,626
125,000	American Electric Power Co., Inc., Sr. Unsecd. Note, 2.300%, 3/1/2030	103,802
500,000	Berkshire Hathaway Energy Co., 3.500%, 2/1/2025	483,414
130,000	Berkshire Hathaway Energy Co., Sr. Unsecd. Note, Series WI, 4.050%, 4/15/2025	126,978
250,000	Constellation Energy Generation LLC, Sr. Unsecd. Note, 3.250%, 6/1/2025	238,095
560,000	Dominion Energy, Inc., Jr. Sub. Note, 3.071%, 8/15/2024	541,080
400,000	EDP Finance BV, Sr. Unsecd. Note, 144A, 1.710%, 1/24/2028	342,464
500,000	EDP Finance BV, Sr. Unsecd. Note, 144A, 3.625%, 7/15/2024	487,259
200,000	Electricite de France SA, Sr. Unsecd. Note, 144A, 5.700%, 5/23/2028	199,824
190,000	Emera US Finance LP, Sr. Unsecd. Note, 0.833%, 6/15/2024	179,742
500,000	Enel Finance America LLC, Sr. Unsecd. Note, 144A, 7.100%, 10/14/2027	525,745
330,000	Enel Finance International NV, Sr. Unsecd. Note, 144A, 1.375%, 7/12/2026	291,464
385,000	Exelon Corp., Sr. Unsecd. Note, 4.050%, 4/15/2030	360,213
500,000	Exelon Corp., Sr. Unsecd. Note, 2.750%, 3/15/2027	457,862
240,000	Fortis, Inc./Canada, Sr. Unsecd. Note, 3.055%, 10/4/2026	221,251
260,000	NextEra Energy Capital Holdings, Inc., Sr. Unsecd. Note, 4.625%, 7/15/2027	254,411
300,000	NextEra Energy Capital Holdings, Inc., Sr. Unsecd. Note, 5.000%, 2/28/2030	297,011
500,000	NiSource Finance Corp., Sr. Unsecd. Note, 3.490%, 5/15/2027	470,827
45,000	NiSource, Inc., Sr. Unsecd. Note, 5.250%, 3/30/2028	45,008
245,000	Puget Energy, Inc., Sec. Fac. Bond, 2.379%, 6/15/2028	211,511
250,000	Southern Co., Sr. Unsecd. Note, 3.250%, 7/1/2026	235,291
300,000	Virginia Electric & Power Co., Sr. Unsecd. Note, Series B, 3.750%, 5/15/2027	287,520
155,000	WEC Energy Group, Inc., Sr. Unsecd. Note, 2.200%, 12/15/2028	133,480
108,000	Wisconsin Energy Corp., Sr. Unsecd. Note, 3.550%, 6/15/2025	103,649
	TOTAL	7,057,775
	Utility - Natural Gas—0.7%	
280,000	National Fuel Gas Co., Sr. Unsecd. Note, 2.950%, 3/1/2031	224,216
395,000	National Fuel Gas Co., Sr. Unsecd. Note, 5.500%, 1/15/2026	389,581
500,000	Sempra Energy, Sr. Unsecd. Note, 3.250%, 6/15/2027	463,003
	TOTAL	1,076,800
	Utility - Natural Gas Distributor—0.3%	
450,000	Southern Co. Gas Capital, Sr. Unsecd. Note, 2.450%, 10/1/2023	446,270
	TOTAL CORPORATE BONDS (IDENTIFIED COST \$152,067,441)	141,045,101
	MORTGAGE-BACKED SECURITIES—0.0%	
	Federal Home Loan Mortgage Corporation—0.0%	
266	Federal Home Loan Mortgage Corp., Pool C01051, 8.000%, 9/1/2030	280
	Government National Mortgage Association—0.0%	
62	Government National Mortgage Association, Pool 1512, 7.500%, 12/20/2023	62
835	Government National Mortgage Association, Pool 2630, 6.500%, 8/20/2028	850

Principal Amount		Value
	MORTGAGE-BACKED SECURITIES—continued	
	Government National Mortgage Association—continued	
\$ 1,242	Government National Mortgage Association, Pool 2631, 7.000%, 8/20/2028	\$ 1,275
1,628	Government National Mortgage Association, Pool 2658, 6.500%, 10/20/2028	1,658
2,557	Government National Mortgage Association, Pool 2701, 6.500%, 1/20/2029	2,603
2,060	Government National Mortgage Association, Pool 2796, 7.000%, 8/20/2029	2,115
391	Government National Mortgage Association, Pool 3039, 6.500%, 2/20/2031	399
1,511	Government National Mortgage Association, Pool 3040, 7.000%, 2/20/2031	1,552
5,383	Government National Mortgage Association, Pool 3188, 6.500%, 1/20/2032	5,514
3,887	Government National Mortgage Association, Pool 3239, 6.500%, 5/20/2032	3,993
9,079	Government National Mortgage Association, Pool 3261, 6.500%, 7/20/2032	9,334
	TOTAL	29,355
	TOTAL MORTGAGE-BACKED SECURITIES (IDENTIFIED COST \$28,916)	29,635
	REPURCHASE AGREEMENTS—3.5%	
1,934,163	Interest in \$1,976,000,000 joint repurchase agreement 5.06%, dated 6/30/2023 under which Bank of America, N.A. will repurchase securities provided as collateral for \$1,976,833,213 on 7/3/2023. The securities provided as collateral at the end of the period held with BNY Mellon as tri-party agent, were U.S. Government Agency securities with various maturities to 7/20/2052 and the market value of those underlying securities was \$2,016,369,878 (purchased with proceeds from securities lending collateral)	1,934,163
3,133,000	Interest in \$1,976,000,000 joint repurchase agreement 5.06%, dated 6/30/2023 under which Bank of America, N.A. will repurchase securities provided as collateral for \$1,976,833,213 on 7/3/2023. The securities provided as collateral at the end of the period held with BNY Mellon as tri-party agent, were U.S. Government Agency securities with various maturities to 7/20/2052 and the market value of those underlying securities was \$2,016,369,878.	3,133,000
	TOTAL REPURCHASE AGREEMENTS (IDENTIFIED COST \$5,067,162)	5,067,163
	TOTAL INVESTMENT IN SECURITIES—100.4% (IDENTIFIED COST \$157,163,519) ³	146,141,899
	OTHER ASSETS AND LIABILITIES - NET—(0.4)% ⁴	(616,226)
	TOTAL NET ASSETS—100%	\$145,525,673

At June 30, 2023, the Fund had the following outstanding futures contracts:

Description	Number of Contracts	Notional Value	Expiration Date	Value and Unrealized (Depreciation)
Long Futures:				
United States Treasury Notes 10-Year Long Futures	10	\$1,122,656	September 2023	\$(13,396)
United States Treasury Notes 10-Year Ultra Long Futures	49	\$5,803,438	September 2023	\$(36,449)
NET UNREALIZED DEPRECIATION ON FUTURES CONTRACTS				\$(49,845)

Net Unrealized Depreciation on Futures Contracts is included in "Other Assets and Liabilities—Net."

- 1 Floating/variable note with current rate and current maturity or next reset date shown.
- 2 All or a portion of these securities are temporarily on loan to unaffiliated broker/dealers.
- 3 Also represents cost of investments for federal tax purposes.
- 4 Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.

Note: The categories of investments are shown as a percentage of total net assets at June 30, 2023.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below:

Level 1—quoted prices in active markets for identical securities.

Level 2—other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.). Also includes securities valued at amortized cost.

Level 3—significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used, as of June 30, 2023, in valuing the Fund's assets carried at fair value:

Valuation Inputs

	Level 1— Quoted Prices	Level 2— Other Significant Observable Inputs	Level 3— Significant Unobservable Inputs	Total
Debt Securities:				
Corporate Bonds	\$ —	\$141,045,101	\$—	\$141,045,101
Mortgage-Backed Securities	—	29,635	—	29,635
Repurchase Agreements	—	5,067,163	—	5,067,163
TOTAL SECURITIES	\$ —	\$146,141,899	\$—	\$146,141,899
Other Financial Instruments:¹				
Liabilities	\$(49,845)	\$ —	\$—	\$ (49,845)

1 Other financial instruments are futures contracts.

The following acronym(s) are used throughout this portfolio:

BKNT —Bank Notes

GMTN—Global Medium Term Note

LIBOR —London Interbank Offered Rate

MTN —Medium Term Note

REIT —Real Estate Investment Trust

See Notes which are an integral part of the Financial Statements

Financial Highlights – Primary Shares

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 6/30/2023	Year Ended December 31,				
		2022	2021	2020	2019	2018
Net Asset Value, Beginning of Period	\$9.81	\$11.26	\$11.82	\$11.31	\$10.65	\$11.05
Income From Investment Operations:						
Net investment income (loss) ¹	0.14	0.25	0.25	0.28	0.31	0.30
Net realized and unrealized gain (loss)	0.04	(1.27)	(0.42)	0.58	0.68	(0.37)
TOTAL FROM INVESTMENT OPERATIONS	0.18	(1.02)	(0.17)	0.86	0.99	(0.07)
Less Distributions:						
Distributions from net investment income	(0.26)	(0.27)	(0.29)	(0.32)	(0.33)	(0.33)
Distributions from net realized gain	—	(0.16)	(0.10)	(0.03)	(0.00) ²	—
TOTAL DISTRIBUTIONS	(0.26)	(0.43)	(0.39)	(0.35)	(0.33)	(0.33)
Net Asset Value, End of Period	\$9.73	\$9.81	\$11.26	\$11.82	\$11.31	\$10.65
Total Return³	1.85%	(9.28)%	(1.40)%	8.12%	9.44%	(0.59)%

Ratios to Average Net Assets:

Net expenses ⁴	0.74% ⁵	0.74%	0.74%	0.74%	0.74%	0.74%
Net investment income	2.87% ⁵	2.44%	2.17%	2.50%	2.79%	2.83%
Expense waiver/reimbursement ⁶	0.07% ⁵	0.07%	0.06%	0.07%	0.08%	0.08%

Supplemental Data:

Net assets, end of period (000 omitted)	\$133,048	\$134,757	\$162,034	\$170,912	\$167,625	\$162,812
Portfolio turnover ⁷	9%	15%	27%	24%	21%	19%

1 Per share numbers have been calculated using the average shares method.

2 Represents less than \$0.01.

3 Based on net asset value. Total returns do not reflect any additional fees or expenses that may be imposed by separate accounts of insurance companies or in connection with any variable annuity or variable life insurance contract. Total returns for periods of less than one year are not annualized.

4 Amount does not reflect net expenses incurred by investment companies in which the Fund may invest.

5 Computed on an annualized basis.

6 This expense decrease is reflected in both the net expense and the net investment income ratios shown above. Amount does not reflect expense waiver/reimbursement recorded by investment companies in which the Fund may invest.

7 Securities that mature are considered sales for purposes of this calculation.

See Notes which are an integral part of the Financial Statements

Financial Highlights – Service Shares

(For a Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 6/30/2023	Year Ended December 31,				
		2022	2021	2020	2019	2018
Net Asset Value, Beginning of Period	\$9.79	\$11.23	\$11.79	\$11.28	\$10.62	\$11.01
Income From Investment Operations:						
Net investment income (loss) ¹	0.13	0.22	0.22	0.26	0.28	0.27
Net realized and unrealized gain (loss)	0.04	(1.26)	(0.42)	0.57	0.68	(0.36)
TOTAL FROM INVESTMENT OPERATIONS	0.17	(1.04)	(0.20)	0.83	0.96	(0.09)
Less Distributions:						
Distributions from net investment income	(0.23)	(0.24)	(0.26)	(0.29)	(0.30)	(0.30)
Distributions from net realized gain	—	(0.16)	(0.10)	(0.03)	(0.00) ²	—
TOTAL DISTRIBUTIONS	(0.23)	(0.40)	(0.36)	(0.32)	(0.30)	(0.30)
Net Asset Value, End of Period	\$9.73	\$9.79	\$11.23	\$11.79	\$11.28	\$10.62
Total Return³	1.77%	(9.46)%	(1.66)%	7.86%	9.17%	(0.78)%
Ratios to Average Net Assets:						
Net expenses ⁴	0.99% ⁵	0.99%	0.99%	0.99%	0.99%	0.99%
Net investment income	2.62% ⁵	2.19%	1.92%	2.25%	2.54%	2.58%
Expense waiver/reimbursement ⁶	0.07% ⁵	0.07%	0.06%	0.07%	0.08%	0.07%
Supplemental Data:						
Net assets, end of period (000 omitted)	\$12,478	\$12,873	\$16,287	\$18,302	\$18,776	\$19,344
Portfolio turnover ⁷	9%	15%	27%	24%	21%	19%

1 Per share numbers have been calculated using the average shares method.

2 Represents less than \$0.01.

3 Based on net asset value. Total returns do not reflect any additional fees or expenses that may be imposed by separate accounts of insurance companies or in connection with any variable annuity or variable life insurance contract. Total returns for periods of less than one year are not annualized.

4 Amount does not reflect net expenses incurred by investment companies in which the Fund may invest.

5 Computed on an annualized basis.

6 This expense decrease is reflected in both the net expense and the net investment income ratios shown above. Amount does not reflect expense waiver/reimbursement recorded by investment companies in which the Fund may invest.

7 Securities that mature are considered sales for purposes of this calculation.

See Notes which are an integral part of the Financial Statements

Statement of Assets and Liabilities

June 30, 2023 (unaudited)

Assets:

Investment in securities, at value including \$1,877,140 of securities loaned (identified cost \$157,163,519)	\$146,141,899
Cash	317
Due from broker (Note 2)	172,900
Income receivable	1,341,577
Receivable for shares sold	29,840
Receivable for variation margin on futures contracts	15,997
TOTAL ASSETS	147,702,530

Liabilities:

Payable for shares redeemed	184,865
Payable for collateral due to broker for securities lending (Note 2)	1,934,163
Payable for investment adviser fee (Note 5)	2,113
Payable for administrative fee (Note 5)	310
Payable for portfolio accounting fees	27,548
Payable for distribution services fee (Note 5)	2,599
Accrued expenses (Note 5)	25,259
TOTAL LIABILITIES	2,176,857

Net assets for 14,951,584 shares outstanding	\$145,525,673
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Net Assets Consist of:

Paid-in capital	\$155,919,681
Total distributable earnings (loss)	(10,394,008)
TOTAL NET ASSETS	\$145,525,673

Net Asset Value, Offering Price and Redemption Proceeds Per Share:

Primary Shares:

\$133,047,670 ÷ 13,668,529 shares outstanding, no par value, unlimited shares authorized	\$9.73
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Service Shares:

\$12,478,003 ÷ 1,283,055 shares outstanding, no par value, unlimited shares authorized	\$9.73
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See Notes which are an integral part of the Financial Statements

Statement of Operations

Six Months Ended June 30, 2023 (unaudited)

Investment Income:	
Interest	\$2,647,373
Net income on securities loaned (Note 2)	7,469
TOTAL INCOME	2,654,842
Expenses:	
Investment adviser fee (Note 5)	440,663
Administrative fee (Note 5)	60,059
Custodian fees	3,745
Transfer agent fees	7,415
Directors'/Trustees' fees (Note 5)	1,007
Auditing fees	13,970
Legal fees	4,536
Portfolio accounting fees	41,755
Distribution services fee (Note 5)	16,010
Printing and postage	10,357
Miscellaneous (Note 5)	12,814
TOTAL EXPENSES	612,331
Waiver of investment adviser fee (Note 5)	(49,238)
Net expenses	563,093
Net investment income	2,091,749
Realized and Unrealized Gain (Loss) on Investments and Futures Contracts:	
Net realized loss on investments	(658,527)
Net realized loss on futures contracts	(93,033)
Net change in unrealized depreciation of investments	1,456,802
Net change in unrealized depreciation of futures contracts	(35,388)
Net realized and unrealized gain (loss) on investments and futures contracts	669,854
Change in net assets resulting from operations	\$2,761,603

See Notes which are an integral part of the Financial Statements

Statement of Changes in Net Assets

	Six Months Ended (unaudited) 6/30/2023	Year Ended 12/31/2022
Increase (Decrease) in Net Assets		
Operations:		
Net investment income	\$ 2,091,749	\$ 3,828,050
Net realized gain (loss)	(751,560)	(677,538)
Net change in unrealized appreciation/depreciation	1,421,414	(19,480,310)
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	2,761,603	(16,329,798)
Distributions to Shareholders:		
Primary Shares	(3,525,781)	(5,969,547)
Service Shares	(302,937)	(565,684)
CHANGE IN NET ASSETS RESULTING FROM DISTRIBUTIONS TO SHAREHOLDERS	(3,828,718)	(6,535,231)
Share Transactions:		
Proceeds from sale of shares	3,375,938	6,380,104
Net asset value of shares issued to shareholders in payment of distributions declared	3,828,716	6,535,227
Cost of shares redeemed	(8,241,783)	(20,741,748)
CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS	(1,037,129)	(7,826,417)
Change in net assets	(2,104,244)	(30,691,446)
Net Assets:		
Beginning of period	147,629,917	178,321,363
End of period	\$145,525,673	\$147,629,917

See Notes which are an integral part of the Financial Statements

Notes to Financial Statements

June 30, 2023 (unaudited)

1. ORGANIZATION

Federated Hermes Insurance Series (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "Act"), as an open-end management investment company. The Trust consists of six portfolios. The financial statements included herein are only those of Federated Hermes Quality Bond Fund II (the "Fund"), a diversified portfolio. The financial statements of the other portfolios are presented separately. The assets of each portfolio are segregated and a shareholder's interest is limited to the portfolio in which shares are held. Each portfolio pays its own expenses. The Fund offers two classes of shares: Primary Shares and Service Shares. All shares of the Fund have equal rights with respect to voting, except on class-specific matters. Fund shares are available exclusively as a funding vehicle for life insurance companies writing variable life insurance policies and variable annuity contracts. The investment objective of the Fund is to provide current income.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. These policies are in conformity with U.S. generally accepted accounting principles (GAAP).

Investment Valuation

In calculating its net asset value (NAV), the Fund generally values investments as follows:

- Fixed-income securities are fair valued using price evaluations provided by a pricing service approved by Federated Investment Management Company (the "Adviser").
- Derivative contracts listed on exchanges are valued at their reported settlement or closing price, except that options are valued at the mean of closing bid and ask quotations.
- Over-the-counter (OTC) derivative contracts are fair valued using price evaluations provided by a pricing service approved by the Adviser.
- Shares of other mutual funds or non-exchange-traded investment companies are valued based upon their reported NAVs, or NAV per share practical expedient, as applicable.
- For securities that are fair valued in accordance with procedures established by and under the general supervision of the Adviser, certain factors may be considered such as: the last traded or purchase price of the security, information obtained by contacting the issuer or dealers, analysis of the issuer's financial statements or other available documents, fundamental analytical data, the nature and duration of restrictions on disposition, the movement of the market in which the security is normally traded, public trading in similar securities or derivative contracts of the issuer or comparable issuers, movement of a relevant index, or other factors including but not limited to industry changes and relevant government actions.

If any price, quotation, price evaluation or other pricing source is not readily available when the NAV is calculated, if the Fund cannot obtain price evaluations from a pricing service or from more than one dealer for an investment within a reasonable period of time as set forth in the Adviser's valuation policies and procedures for the Fund, or if information furnished by a pricing service, in the opinion of the Adviser's valuation committee ("Valuation Committee"), is deemed not representative of the fair value of such security, the Fund uses the fair value of the investment determined in accordance with the procedures described below. There can be no assurance that the Fund could obtain the fair value assigned to an investment if it sold the investment at approximately the time at which the Fund determines its NAV per share, and the actual value obtained could be materially different.

Fair Valuation and Significant Events Procedures

Pursuant to Rule 2a-5 under the Act, the Fund's Board of Trustees (the "Trustees") has designated the Adviser as the Fund's valuation designee to perform any fair value determinations for securities and other assets held by the Fund. The Adviser is subject to the Trustees' oversight and certain reporting and other requirements intended to provide the Trustees the information needed to oversee the Adviser's fair value determinations.

The Adviser, acting through its Valuation Committee, is responsible for determining the fair value of investments for which market quotations are not readily available. The Valuation Committee is comprised of officers of the Adviser and certain of the Adviser's affiliated companies and determines fair value and oversees the calculation of the NAV. The Valuation Committee is also authorized to use pricing services to provide fair value evaluations of the current value of certain investments for purposes of calculating the NAV. The Valuation Committee employs various methods for reviewing third-party pricing-service evaluations including periodic reviews of third-party pricing services' policies, procedures and valuation methods (including key inputs, methods, models and assumptions), transactional back-testing, comparisons of evaluations of different pricing services, and review of price challenges by the Adviser based on recent market activity. In the event that market quotations and price evaluations are not available for an investment, the Valuation Committee determines the fair value of the investment in accordance with procedures adopted by the Adviser. The Trustees periodically review the fair valuations made by the Valuation Committee. The Trustees have also approved the Adviser's fair valuation and significant events procedures as part of the Fund's compliance program and will review any changes made to the procedures.

Factors considered by pricing services in evaluating an investment include the yields or prices of investments of comparable quality, coupon, maturity, call rights and other potential prepayments, terms and type, reported transactions, indications as to values from dealers and general market conditions. Some pricing services provide a single price evaluation reflecting the bid-side of the market for an investment (a "bid" evaluation). Other pricing services offer both bid evaluations and price evaluations indicative of a price between the prices bid and ask for the investment (a "mid" evaluation). The Fund normally uses bid evaluations for any U.S. Treasury and Agency securities, mortgage-backed securities and municipal securities. The Fund normally uses mid evaluations for any other types of fixed-income securities and any OTC derivative contracts. In the event that market quotations and price evaluations are not available for an investment, the fair value of the investment is determined in accordance with procedures adopted by the Adviser.

The Adviser has also adopted procedures requiring an investment to be priced at its fair value whenever the Valuation Committee determines that a significant event affecting the value of the investment has occurred between the time as of which the price of the investment would otherwise be determined and the time as of which the NAV is computed. An event is considered significant if there is both an affirmative expectation that the investment's value will change in response to the event and a reasonable basis for quantifying the resulting change in value. Examples of significant events that may occur after the close of the principal market on which a security is traded, or after the time of a price evaluation provided by a pricing service or a dealer, include:

- With respect to securities traded principally in foreign markets, significant trends in U.S. equity markets or in the trading of foreign securities index futures contracts;
- Political or other developments affecting the economy or markets in which an issuer conducts its operations or its securities are traded;
- Announcements concerning matters such as acquisitions, recapitalizations, litigation developments, or a natural disaster affecting the issuer's operations or regulatory changes or market developments affecting the issuer's industry.

The Adviser has adopted procedures whereby the Valuation Committee uses a pricing service to provide factors to update the fair value of equity securities traded principally in foreign markets from the time of the close of their respective foreign stock exchanges to the pricing time of the Fund. For other significant events, the Fund may seek to obtain more current quotations or price evaluations from alternative pricing sources. If a reliable alternative pricing source is not available, the Valuation Committee will determine the fair value of the investment in accordance with the fair valuation procedures approved by the Adviser. The Trustees periodically review fair valuations made in response to significant events.

Repurchase Agreements

The Fund may invest in repurchase agreements for short-term liquidity purposes. It is the policy of the Fund to require the other party to a repurchase agreement to transfer to the Fund's custodian or sub-custodian eligible securities or cash with a market value (after transaction costs) at least equal to the repurchase price to be paid under the repurchase agreement. The eligible securities are transferred to accounts with the custodian or sub-custodian in which the Fund holds a "securities entitlement" and exercises "control" as those terms are defined in the Uniform Commercial Code. The Fund has established procedures for monitoring the market value of the transferred securities and requiring the transfer of additional eligible securities if necessary to equal at least the repurchase price. These procedures also allow the other party to require securities to be transferred from the account to the extent that their market value exceeds the repurchase price or in exchange for other eligible securities of equivalent market value.

The insolvency of the other party or other failure to repurchase the securities may delay the disposition of the underlying securities or cause the Fund to receive less than the full repurchase price. Under the terms of the repurchase agreement, any amounts received by the Fund in excess of the repurchase price and related transaction costs must be remitted to the other party.

The Fund may enter into repurchase agreements in which eligible securities are transferred into joint trading accounts maintained by the custodian or sub-custodian for investment companies and other clients advised by the Fund's Adviser and its affiliates. The Fund will participate on a pro rata basis with the other investment companies and clients in its share of the securities transferred under such repurchase agreements and in its share of proceeds from any repurchase or other disposition of such securities.

Repurchase agreements are subject to Master Netting Agreements (MNA) which are agreements between the Fund and its counterparties that provide for the net settlement of all transactions and collateral with the Fund, through a single payment, in the event of default or termination. Amounts presented on the Portfolio of Investments and Statement of Assets and Liabilities are not net settlement amounts but gross. As indicated above, the cash or securities to be repurchased, as shown on the Portfolio of Investments, exceeds the repurchase price to be paid under the agreement reducing the net settlement amount to zero.

Investment Income, Gains and Losses, Expenses and Distributions

Investment transactions are accounted for on a trade-date basis. Realized gains and losses from investment transactions are recorded on an identified-cost basis. Interest income and expenses are accrued daily. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Foreign dividends are recorded on the ex-dividend date or when the Fund is informed of the ex-dividend date. Distributions of net investment income, if any, are declared and paid annually. Non-cash dividends included in dividend income, if any, are recorded at fair value. Amortization/accretion of premium and discount is included in investment income. Gains and losses realized on principal payment of mortgage-backed securities (paydown gains and losses) are classified as part of investment income. Investment income, realized and unrealized gains and losses, and certain fund-level expenses are allocated to each class based on relative average daily net assets, except that select classes will bear certain expenses unique to those classes. The detail of the total fund expense waiver of \$49,238 is disclosed in Note 5.

Dividends are declared separately for each class. No class has preferential dividend rights; differences in per share dividend rates are generally due to differences in separate class expenses.

Federal Taxes

It is the Fund's policy to comply with the Subchapter M provision of the Internal Revenue Code of 1986 (the "Code") and to distribute to shareholders each year substantially all of its income. Accordingly, no provision for federal income tax is necessary. As of and during the six months ended June 30, 2023, the Fund did not have a liability for any uncertain tax positions. The Fund recognizes interest and penalties, if any, related to tax liabilities as income tax expense in the Statement of Operations. As of June 30, 2023, tax years 2019 through 2022 remain subject to examination by the Fund's major tax jurisdictions, which include the United States of America and the Commonwealth of Massachusetts.

When-Issued and Delayed-Delivery Transactions

The Fund may engage in when-issued or delayed-delivery transactions. The Fund records when-issued securities on the trade date and maintains security positions such that sufficient liquid assets will be available to make payment for the securities purchased. Securities purchased on a when-issued or delayed-delivery basis are marked to market daily and begin earning interest on the settlement date. Losses may occur on these transactions due to changes in market conditions or the failure of counterparties to perform under the contract.

Futures Contracts

The Fund purchases and sells financial futures contracts to manage duration and sector/asset class risks. Upon entering into a financial futures contract with a broker, the Fund is required to deposit with a broker, either U.S. government securities or a specified amount of cash, which is shown as due from broker in the Statement of Assets and Liabilities. Futures contracts are valued daily and unrealized gains or losses are recorded in a "variation margin" account. The Fund receives from or pays to the broker a specified amount of cash based upon changes in the variation margin account. When a contract is closed, the Fund recognizes a realized gain or loss. Futures contracts have market risks, including the risk that the change in the value of the contract may not correlate with the changes in the value of the underlying securities. There is minimal counterparty risk to the Fund since futures contracts are exchange traded and the exchange's clearinghouse, as counterparty to all exchange traded futures contracts, guarantees the futures contracts against default.

Futures contracts outstanding at period end are listed after the Fund's Portfolio of Investments.

The average notional value of long and short futures contracts held by the Fund throughout the period was \$5,970,743 and \$975,853, respectively. This is based on amounts held as of each month-end throughout the six-month period.

Securities Lending

The Fund participates in a securities lending program providing for the lending of corporate bonds to qualified brokers. The term of the loans within the program is one year or less. The Fund normally receives cash collateral for securities loaned that may be invested in affiliated money market funds, other money market instruments and/or repurchase agreements. Investments in money market funds may include funds with a "floating" NAV that can impose redemption fees and liquidity gates, impose certain operational impediments to investing cash collateral, and, if the investee fund's NAV decreases, result in the Fund recognizing losses and being required to cover the decrease in the value of the cash collateral. Collateral is maintained at a minimum level of 100% of the market value of investments loaned, plus interest, if applicable. In accordance with the Fund's securities lending agreement, the market value of securities on loan is determined each day at the close of business and any additional collateral required to cover the value of securities on loan is delivered to the Fund on the next business day. Earnings on collateral are allocated between the borrower of the security, the securities lending agent, as a fee for its services under the program and the Fund, according to agreed-upon rates. The Fund will not have the right to vote on securities while they are on loan. However, the Fund will attempt to terminate a loan in an effort to reacquire the securities in time to vote on matters that are deemed to be material by the Adviser. There can be no assurance that the Fund will have sufficient notice of such matters to be able to terminate the loan in time to vote thereon.

Securities lending transactions are subject to MNA. Amounts presented on the Portfolio of Investments and Statement of Assets and Liabilities are not net settlement amounts but gross. As indicated below, the cash collateral received by the Fund exceeds the market value of the securities loaned reducing the net settlement amount to zero. The chart below identifies the amount of collateral received as well as the market value of securities on loan. Additionally, the securities lending agreement executed by the Fund includes an indemnification clause. This clause stipulates that the borrower will reimburse the Fund for any losses as a result of any failure of the borrower to return equivalent securities to the Fund.

As of June 30, 2023, securities subject to this type of arrangement and related collateral were as follows:

Fair Value of Securities Loaned	Collateral Received
\$1,877,140	\$1,934,163

Restricted Securities

The Fund may purchase securities which are considered restricted. Restricted securities are securities that either: (a) cannot be offered for public sale without first being registered, or being able to take advantage of an exemption from registration, under the Securities Act of 1933; or (b) are subject to contractual restrictions on public sales. In some cases, when a security cannot be offered for public sale without first being registered, the issuer of the restricted security has agreed to register such securities for resale, at the issuer's expense, either upon demand by the Fund or in connection with another registered offering of the securities. Many such restricted securities may be resold in the secondary market in transactions exempt from registration. Restricted securities may be determined to be liquid under criteria established by the Trustees. The Fund will not incur any registration costs upon such resales. The Fund's restricted securities, like other securities, are priced in accordance with procedures established by and under the general supervision of the Adviser.

Additional Disclosure Related to Derivative Instruments

Fair Value of Derivative Instruments

	Assets	
	Statement of Assets and Liabilities Location	Fair Value
Derivatives not accounted for as hedging instruments under ASC Topic 815		
Interest rate contracts	Receivable for variation margin on futures contracts	\$(49,845)*

* Includes cumulative net depreciation of futures contracts as reported in the footnotes to the Portfolio of Investments. Only the current day's variation margin is reported within the Statement of Assets and Liabilities.

The Effect of Derivative Instruments on the Statement of Operations for the Six Months Ended June 30, 2023

Amount of Realized Gain or (Loss) on Derivatives Recognized in Income

	Futures Contracts
Interest rate contracts	\$(93,033)

Change in Unrealized Appreciation or (Depreciation) on Derivatives Recognized in Income

	Futures Contracts
Interest rate contracts	\$(35,388)

Other

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets, liabilities, expenses and revenues reported in the financial statements. Actual results could differ materially from those estimated. The Fund applies investment company accounting and reporting guidance.

3. SHARES OF BENEFICIAL INTEREST

The following tables summarize share activity:

	Six Months Ended 6/30/2023		Year Ended 12/31/2022	
	Shares	Amount	Shares	Amount
Primary Shares:				
Shares sold	336,688	\$ 3,318,152	602,659	\$ 6,152,032
Shares issued to shareholders in payment of distributions declared	363,483	3,525,781	581,827	5,969,547
Shares redeemed	(768,316)	(7,561,349)	(1,835,220)	(18,635,582)
NET CHANGE RESULTING FROM PRIMARY SHARE TRANSACTIONS	(68,145)	\$ (717,416)	(650,734)	\$ (6,514,003)

	Six Months Ended 6/30/2023		Year Ended 12/31/2022	
	Shares	Amount	Shares	Amount
Service Shares:				
Shares sold	5,826	\$ 57,786	21,948	\$ 228,072
Shares issued to shareholders in payment of distributions declared	31,230	302,935	55,135	565,680
Shares redeemed	(69,451)	(680,434)	(211,485)	(2,106,166)
NET CHANGE RESULTING FROM SERVICE SHARE TRANSACTIONS	(32,395)	\$ (319,713)	(134,402)	\$ (1,312,414)
NET CHANGE RESULTING FROM TOTAL FUND SHARE TRANSACTIONS	(100,540)	\$(1,037,129)	(785,136)	\$ (7,826,417)

4. FEDERAL TAX INFORMATION

At June 30, 2023, the cost of investments for federal tax purposes was \$157,163,519. The net unrealized depreciation of investments for federal tax purposes was \$11,071,465. This consists of unrealized appreciation from investments for those securities having an excess of value over cost of \$314,723 and unrealized depreciation from investments for those securities having an excess of cost over value of \$11,386,188. The amounts presented are inclusive of derivative contracts.

As of December 31, 2022, the Fund had a capital loss carryforward of \$676,420 which will reduce the Fund's taxable income arising from future net realized gains on investments, if any, to the extent permitted by the Code, thereby reducing the amount of distributions to shareholders which would otherwise be necessary to relieve the Fund of any liability for federal income tax. Pursuant to the Code, these net capital losses retain their character as either short-term or long-term and do not expire.

The following schedule summarizes the Fund's capital loss carryforwards:

Short-Term	Long-Term	Total
\$34,783	\$641,637	\$676,420

5. INVESTMENT ADVISER FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Investment Adviser Fee

The advisory agreement between the Fund and the Adviser provides for an annual fee equal to 0.60% of the Fund's average daily net assets. Subject to the terms described in the Expense Limitation note, the Adviser may voluntarily choose to waive any portion of its fee and/or reimburse certain operating expenses of the Fund for competitive reasons such as to maintain the Fund's expense ratio, or as and when appropriate, to maintain positive or zero net yields. For the six months ended June 30, 2023, the Adviser voluntarily waived \$49,238 of its fee.

Administrative Fee

Federated Administrative Services (FAS), under the Administrative Services Agreement, provides the Fund with administrative personnel and services. For purposes of determining the appropriate rate breakpoint, "Investment Complex" is defined as all of the Federated Hermes Funds subject to a fee under the Administrative Services Agreement. The fee paid to FAS is based on the average daily net assets of the Investment Complex as specified below:

Administrative Fee	Average Daily Net Assets of the Investment Complex
0.100%	on assets up to \$50 billion
0.075%	on assets over \$50 billion

Subject to the terms described in the Expense Limitation note, FAS may voluntarily choose to waive any portion of its fee. For the six months ended June 30, 2023, the annualized fee paid to FAS was 0.082% of average daily net assets of the Fund.

In addition, FAS may charge certain out-of-pocket expenses to the Fund.

Distribution Services Fee

The Fund has adopted a Distribution Plan (the "Plan") pursuant to Rule 12b-1 under the Act. Under the terms of the Plan, the Fund will compensate Federated Securities Corp. (FSC), the principal distributor, from the daily net assets of the Fund's Primary Shares and Service Shares to finance activities intended to result in the sale of these shares. The Plan provides that the Fund may incur distribution expenses at the following percentages of average daily net assets annually, to compensate FSC:

	Percentage of Average Daily Net Assets of Class
Primary Shares	0.25%
Service Shares	0.25%

Subject to the terms described in the Expense Limitation note, FSC may voluntarily choose to waive any portion of its fee. For the six months ended June 30, 2023, distribution services fees for the Fund were as follows:

	Distribution Services Fees Incurred
Service Shares	\$16,010

When FSC receives fees, it may pay some or all of them to financial intermediaries whose customers purchase shares. For the six months ended June 30, 2023, the Fund's Primary Shares did not incur a distribution services fee; however, it may begin to incur this fee upon approval of the Trustees.

Expense Limitation

The Adviser and certain of its affiliates (which may include FSC and FAS) on their own initiative have agreed to waive certain amounts of their respective fees and/or reimburse expenses. Total annual fund operating expenses (as shown in the financial highlights, excluding interest expense, extraordinary expenses and proxy-related expenses paid by the Fund if any) paid by the Fund's Primary Shares and Service Shares (after the voluntary waivers and/or reimbursements) will not exceed 0.74% and 0.99% (the "Fee Limit"), respectively, up to but not including the later of (the "Termination Date"): (a) May 1, 2024; or (b) the date of the Fund's next effective Prospectus. While the Adviser and its applicable affiliates currently do not anticipate terminating or increasing these arrangements prior to the Termination Date, these arrangements may only be terminated or the Fee Limit increased prior to the Termination Date with the agreement of the Trustees.

Directors'/Trustees' and Miscellaneous Fees

Certain Officers and Trustees of the Fund are Officers and Directors or Trustees of certain of the above companies. To efficiently facilitate payment, Independent Directors'/Trustees' fees and certain expenses related to conducting meetings of the Directors'/Trustees and other miscellaneous expenses are paid by an affiliate of the Adviser which in due course are reimbursed by the Fund. These expenses related to conducting meetings of the Directors'/Trustees and other miscellaneous expenses may be included in Accrued and Miscellaneous Expenses on the Statement of Assets and Liabilities and Statement of Operations, respectively.

6. INVESTMENT TRANSACTIONS

Purchases and sales of investments, excluding long-term U.S. government securities and short-term obligations, for the six months ended June 30, 2023, were as follows:

Purchases	\$12,435,799
Sales	\$15,778,401

7. LINE OF CREDIT

The Fund participates with certain other Federated Hermes Funds, on a several basis, in an up to \$500,000,000 unsecured, 364-day, committed, revolving line of credit (LOC) agreement dated June 21, 2023. The LOC was made available to temporarily finance the repurchase or redemption of shares of the Fund, failed trades, payment of dividends, settlement of trades and for other short-term, temporary or emergency general business purposes. The Fund cannot borrow under the LOC if an inter-fund loan is outstanding. The Fund's ability to borrow under the LOC also is subject to the limitations of the Act and various conditions precedent that must be

satisfied before the Fund can borrow. Loans under the LOC are charged interest at a fluctuating rate per annum equal to (a) the highest, on any day, of (i) the federal funds effective rate, (ii) the published secured overnight financing rate plus an assigned percentage, and (iii) 0.0%, plus (b) a margin. Any fund eligible to borrow under the LOC pays its pro rata share of a commitment fee based on the amount of the lenders' commitment that has not been utilized, quarterly in arrears and at maturity. As of June 30, 2023, the Fund had no outstanding loans. During the six months ended June 30, 2023, the Fund did not utilize the LOC.

8. INTERFUND LENDING

Pursuant to an Exemptive Order issued by the Securities and Exchange Commission, the Fund, along with other funds advised by subsidiaries of Federated Hermes, Inc., may participate in an interfund lending program. This program provides an alternative credit facility allowing the Fund to borrow from other participating affiliated funds. As of June 30, 2023, there were no outstanding loans. During the six months ended June 30, 2023, the program was not utilized.

9. INDEMNIFICATIONS

Under the Fund's organizational documents, its Officers and Directors/Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Fund (other than liabilities arising out of their willful misfeasance, bad faith, gross negligence or reckless disregard of their duties to the Fund). In addition, in the normal course of business, the Fund provides certain indemnifications under arrangements with third parties. Typically, obligations to indemnify a third party arise in the context of an arrangement entered into by the Fund under which the Fund agrees to indemnify such third party for certain liabilities arising out of actions taken pursuant to the arrangement, provided the third party's actions are not deemed to have breached an agreed-upon standard of care (such as willful misfeasance, bad faith, gross negligence or reckless disregard of their duties under the contract). The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet arisen. The Fund does not anticipate any material claims or losses pursuant to these arrangements at this time, and accordingly expects the risk of loss to be remote.

10. OTHER MATTERS

An outbreak of respiratory disease caused by a novel coronavirus was first detected in China in late 2019 and subsequently spread globally. As of the date of the issuance of these financial statements, this coronavirus has resulted in, and may continue to result in, closed borders, enhanced health screenings, disruptions to healthcare service preparation and delivery, quarantines, cancellations, and disruptions to supply chains, workflow operations and consumer activity, as well as general concern and uncertainty. The impact of this coronavirus has resulted in substantial economic volatility. Health crises caused by outbreaks, such as the coronavirus outbreak, may exacerbate other pre-existing political, social and economic risks. The impact of this outbreak, and other epidemics and pandemics that may arise in the future, could continue to negatively affect the worldwide economy, as well as the economies of individual countries, individual companies (including certain Fund service providers and issuers of the Fund's investments) and the markets in general in significant and unforeseen ways. In addition, governments, their regulatory agencies, or self-regulatory organizations may take actions in response to the pandemic, including significant fiscal and monetary policy changes, that may affect the instruments in which the Fund invests or the issuers of such investments. Any such impact could adversely affect the Fund's performance.

11. RECENT ACCOUNTING PRONOUNCEMENTS

In December 2022, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2022-06 "Reference Rate Reform (Topic 848)". ASU No. 2022-06 updates and clarifies ASU No. 2020-04, which provides optional, temporary relief with respect to the financial reporting of contracts subject to certain types of modifications due to the planned discontinuation of LIBOR and other interbank-offered reference rates. The temporary relief provided by ASU No. 2022-06 is effective immediately for certain reference rate-related contract modifications that occur through December 31, 2024. Management does not expect ASU No. 2022-06 to have a material impact on the financial statements.

Shareholder Expense Example (unaudited)

As a shareholder of the Fund, you incur ongoing costs, including management fees and to the extent applicable, distribution (12b-1) fees and/or other service fees and other Fund expenses. This Example is intended to help you to understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other funds used as variable investment options. It is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from January 1, 2023 to June 30, 2023.

ACTUAL EXPENSES

The first section of the table below provides information about actual account values and actual expenses. You may use the information in this section, together with the amount you invested, to *estimate* the expenses that you incurred over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first section under the heading entitled “Expenses Paid During Period” to estimate the expenses attributable to your investment during this period.

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

The second section of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an *assumed* rate of return of 5% per year before expenses, which is not the Fund’s actual return. Thus, you should *not* use the hypothetical account values and expenses to estimate the actual ending account balance or your expenses for the period. Rather, these figures are required to be provided to enable you to compare the ongoing costs of investing in the Fund with other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only. Therefore, the second section of the table is useful in comparing ongoing costs only, and will not help you determine the relative *total* costs of owning different funds.

	Beginning Account Value 1/1/2023	Ending Account Value 6/30/2023	Expenses Paid During Period ¹
Actual:			
Primary Shares	\$1,000	\$1,018.50	\$3.70
Service Shares	\$1,000	\$1,017.70	\$4.95
Hypothetical (assuming a 5% return before expenses):			
Primary Shares	\$1,000	\$1,021.12	\$3.71
Service Shares	\$1,000	\$1,019.89	\$4.96

¹ Expenses are equal to the Fund’s annualized net expense ratios, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half-year period). The expenses shown in the table do not include the charges and expenses imposed by the insurance company under the variable insurance product contract. Please refer to the variable insurance product prospectus for a complete listing of these expenses. The annualized net expense ratios are as follows:

Primary Shares	0.74%
Service Shares	0.99%

Evaluation and Approval of Advisory Contract – May 2023

FEDERATED HERMES QUALITY BOND FUND II (THE “FUND”)

At its meetings in May 2023 (the “May Meetings”), the Fund’s Board of Trustees (the “Board”), including those Trustees who are not “interested persons” of the Fund, as defined in the Investment Company Act of 1940 (the “Independent Trustees”), reviewed and unanimously approved the continuation of the investment advisory contract between the Fund and Federated Investment Management Company (the “Adviser”) (the “Contract”) for an additional one-year term. The Board’s determination to approve the continuation of the Contract reflects the exercise of its business judgment after considering all of the information and factors believed to be relevant and appropriate on whether to approve the continuation of the existing arrangement. The information, factors and conclusions that formed the basis for the Board’s approval are summarized below.

Information Received and Review Process

At the request of the Independent Trustees, the Fund’s Chief Compliance Officer (the “CCO”) furnished to the Board in advance of its May Meetings an independent written evaluation of the Fund’s management fee (the “CCO Fee Evaluation Report”). The Board considered the CCO Fee Evaluation Report, along with other information, in evaluating the reasonableness of the Fund’s management fee and in determining to approve the continuation of the Contract. The CCO, in preparing the CCO Fee Evaluation Report, has the authority to retain consultants, experts or staff as reasonably necessary to assist in the performance of his duties, reports directly to the Board, and can be terminated only with the approval of a majority of the Independent Trustees. At the request of the Independent Trustees, the CCO Fee Evaluation Report followed the same general approach and covered the same topics as that of the report that had previously been delivered by the CCO in his capacity as “Senior Officer” prior to the elimination of the Senior Officer position in December 2017.

In addition to the extensive materials that comprise and accompany the CCO Fee Evaluation Report, the Board considered information specifically prepared in connection with the approval of the continuation of the Contract that was presented at the May Meetings. In this regard, in the months preceding the May Meetings, the Board requested and reviewed written responses and supporting materials prepared by the Adviser and its affiliates (collectively, “Federated Hermes”) in response to requests posed to Federated Hermes by independent legal counsel on behalf of the Independent Trustees encompassing a wide variety of topics, including those summarized below. The Board also considered such additional matters as the Independent Trustees deemed reasonably necessary to evaluate the Contract, which included detailed information about the Fund and Federated Hermes furnished to the Board at its meetings throughout the year and in between regularly scheduled meetings on particular matters as the need arose.

The Board’s consideration of the Contract included review of materials and information covering the following matters, among others: the nature, quality and extent of the advisory and other services provided to the Fund by Federated Hermes; Federated Hermes’ business and operations; the Adviser’s investment philosophy, personnel and processes; the Fund’s investment objectives and strategies; the Fund’s short-term and long-term performance (in absolute terms, both on a gross basis and net of expenses, and relative to the Fund’s particular investment program and a group of its peer funds and/or its benchmark, as appropriate); the Fund’s fees and expenses, including the advisory fee and the overall expense structure of the Fund (both in absolute terms and relative to a group of its peer funds), with due regard for contractual or voluntary expense limitations (if any); the financial condition of Federated Hermes; the Adviser’s profitability with respect to managing the Fund; distribution and sales activity for the Fund; and the use and allocation of brokerage commissions derived from trading the Fund’s portfolio securities (if any).

The Board also considered judicial decisions concerning allegedly excessive investment advisory fees charged to other registered funds in evaluating the Contract. Using these judicial decisions as a guide, the Board observed that the following factors may be relevant to an adviser’s fiduciary duty with respect to its receipt of compensation from a fund: (1) the nature and quality of the services provided by the adviser to the fund and its shareholders, including the performance of the fund, its benchmark and comparable funds; (2) the adviser’s cost of providing the services and the profitability to the adviser of providing advisory services to the fund; (3) the extent to which the adviser may realize “economies of scale” as the fund grows larger and, if such economies of scale exist, whether they have been appropriately shared with the fund and its shareholders or the family of funds; (4) any “fall-out” benefits that accrue to the adviser because of its relationship with the fund, including research services received from brokers that execute fund trades and any fees paid to affiliates of the adviser for services rendered to the fund; (5) comparative fee and expense structures, including a comparison of management fees paid to the adviser with those paid by similar funds managed by the same adviser or other advisers as well as management fees charged to institutional and other advisory clients of the same adviser for what might be viewed as like services; and (6) the extent of care, conscientiousness and independence with which the fund’s board members perform their duties and their expertise, including whether they are fully informed about all facts the board deems relevant to its consideration of the adviser’s services and fees. The Board noted that the Securities and

Exchange Commission (“SEC”) disclosure requirements regarding the basis for a fund board’s approval of the fund’s investment advisory contract generally align with the factors listed above. The Board was guided by these factors in its evaluation of the Contract to the extent it considered them to be appropriate and relevant, as discussed further below. The Board considered and weighed these factors in light of its substantial accumulated experience in governing the Fund and working with Federated Hermes on matters relating to the oversight of the other funds advised by Federated Hermes (each, a “Federated Hermes Fund” and, collectively, the “Federated Hermes Funds”).

In addition, the Board considered the preferences and expectations of Fund shareholders and the potential disruptions of the Fund’s operations and various risks, uncertainties and other effects that could occur as a result of a decision to terminate or not renew the Contract. In particular, the Board recognized that many shareholders likely have invested in the Fund based on the strength of Federated Hermes’ industry standing and reputation and with the expectation that Federated Hermes will have a continuing role in providing advisory services to the Fund. Thus, the Board observed that there are a range of investment options available to the Fund’s shareholders and such shareholders in the marketplace, having had the opportunity to consider other investment options, have effectively selected Federated Hermes by virtue of investing in the Fund.

In determining to approve the continuation of the Contract, the members of the Board reviewed and evaluated information and factors they believed to be relevant and appropriate through the exercise of their reasonable business judgment. While individual members of the Board may have weighed certain factors differently, the Board’s determination to approve the continuation of the Contract was based on a comprehensive consideration of all information provided to the Board throughout the year and specifically with respect to the continuation of the Contract. The Board recognized that its evaluation process is evolutionary and that the factors considered and emphasis placed on relevant factors may change in recognition of changing circumstances in the registered fund marketplace. The Independent Trustees were assisted throughout the evaluation process by independent legal counsel. In connection with their deliberations at the May Meetings, the Independent Trustees met separately in executive session with their independent legal counsel and without management present to review the relevant materials and consider their responsibilities under applicable laws. In addition, senior management representatives of Federated Hermes also met with the Independent Trustees and their independent legal counsel to discuss the materials and presentations furnished to the Board at the May Meetings. The Board considered the approval of the Contract for the Fund as part of its consideration of agreements for funds across the family of Federated Hermes Funds, but its approvals were made on a fund-by-fund basis.

Nature, Extent and Quality of Services

The Board considered the nature, extent and quality of the services provided to the Fund by the Adviser and the resources of Federated Hermes dedicated to the Fund. In this regard, the Board evaluated, among other things, the terms of the Contract and the range of services provided to the Fund by Federated Hermes. The Board considered the Adviser’s personnel, investment philosophy and process, investment research capabilities and resources, trade operations capabilities, experience and performance track record. The Board reviewed the qualifications, backgrounds and responsibilities of the portfolio management team primarily responsible for the day-to-day management of the Fund and Federated Hermes’ ability and experience in attracting and retaining qualified personnel to service the Fund. The Board considered the trading operations by the Advisers, including the execution of portfolio transactions and the selection of brokers for those transactions. The Board also considered the Adviser’s ability to deliver competitive investment performance for the Fund when compared to the Fund’s Performance Peer Group (as defined below), which was deemed by the Board to be a useful indicator of how the Adviser is executing the Fund’s investment program.

In addition, the Board considered the financial resources and overall reputation of Federated Hermes and its willingness to consider and make investments in personnel, infrastructure, technology, cybersecurity, business continuity planning and operational enhancements that are designed to benefit the Federated Hermes Funds. The Board noted that the significant acquisition of Hermes Fund Managers Limited by Federated Hermes has deepened Federated Hermes’ investment management expertise and capabilities and its access to analytical resources related to environmental, social and governance (“ESG”) factors and issuer engagement on ESG matters. The Board considered Federated Hermes’ oversight of the securities lending program for the Federated Hermes Funds that engage in securities lending and noted the income earned by the Federated Hermes Funds that participate in such program. In addition, the Board considered the quality of Federated Hermes’ communications with the Board and responsiveness to Board inquiries and requests made from time to time with respect to the Federated Hermes Funds. The Board also considered that Federated Hermes is responsible for providing the Federated Hermes Funds’ officers.

The Board received and evaluated information regarding Federated Hermes’ regulatory and compliance environment. The Board considered Federated Hermes’ compliance program and compliance history and reports from the CCO about Federated Hermes’ compliance with applicable laws and regulations, including responses to regulatory developments and any compliance or other issues raised by regulatory agencies. The Board also noted Federated Hermes’ support of the Federated Hermes Funds’ compliance control structure and the compliance-related resources devoted by Federated

Hermes in support of the Fund's obligations pursuant to Rule 38a-1 under the Investment Company Act of 1940, including Federated Hermes' commitment to respond to rulemaking and other regulatory initiatives of the SEC. The Board considered Federated Hermes' approach to internal audits and risk management with respect to the Federated Hermes Funds and its day-to-day oversight of the Federated Hermes Funds' compliance with their investment objectives and policies as well as with applicable laws and regulations, noting that regulatory and other developments had over time led, and continue to lead, to an increase in the scope of Federated Hermes' oversight in this regard, including in connection with the implementation of new rules on derivatives risk management and fair valuation.

The Board also considered the implementation of Federated Hermes' business continuity plans. In addition, the Board noted Federated Hermes' commitment to maintaining high quality systems and expending substantial resources to prepare for and respond to ongoing changes due to the market, regulatory and control environments in which the Fund and its service providers operate.

The Board considered Federated Hermes' efforts to provide shareholders in the Federated Hermes Funds with a comprehensive array of funds with different investment objectives, policies and strategies. The Board considered the expenses that Federated Hermes had incurred, as well as the entrepreneurial and other risks assumed by Federated Hermes, in sponsoring and providing on-going services to new funds to expand these opportunities for shareholders. The Board noted the benefits to shareholders of being part of the family of Federated Hermes Funds, which include the general right to exchange investments between the same class of shares without the incurrence of additional sales charges.

Based on these considerations, the Board concluded that it was satisfied with the nature, extent and quality of the services provided by the Adviser to the Fund.

Fund Investment Performance

The Board considered the investment performance of the Fund. In evaluating the Fund's investment performance, the Board considered performance results in light of the Fund's investment objective, strategies and risks. The Board considered detailed investment reports on, and the Adviser's analysis of, the Fund's performance over different time periods that were provided to the Board throughout the year and in connection with the May Meetings. These reports included, among other items, information on the Fund's gross and net returns, the Fund's investment performance compared to one or more relevant categories or groups of peer funds and the Fund's benchmark index, performance attribution information and commentary on the effect of market conditions. The Board considered that, in its evaluation of investment performance at meetings throughout the year, it focused particular attention on information indicating less favorable performance of certain Federated Hermes Funds for specific time periods and discussed with Federated Hermes the reasons for such performance as well as any specific actions Federated Hermes had taken, or had agreed to take, to seek to enhance Fund investment performance and the results of those actions.

The Board also reviewed comparative information regarding the performance of other registered funds in the category of peer funds selected by Morningstar, Inc. (the "Morningstar"), an independent fund ranking organization (the "Performance Peer Group"). The Board noted the CCO's view that comparisons to fund peer groups may be helpful, though not conclusive, in evaluating the performance of the Adviser in managing the Fund. The Board considered in the CCO's view that, in evaluating such comparisons, in some cases there may be differences in the funds' objectives or investment management techniques, or the costs to implement the funds, even within the same Performance Peer Group.

For the periods ended December 31, 2022, the Fund's performance fell below the Performance Peer Group median for the one-year and three-year periods, and was above the Performance Peer Group median for the five-year period. The Board discussed the Fund's performance with the Adviser and recognized the efforts being taken by the Adviser in the context of other factors considered relevant by the Board.

Based on these considerations, the Board concluded that it had continued confidence in the Adviser's overall capabilities to manage the Fund.

Fund Expenses

The Board considered the advisory fee and overall expense structure of the Fund and the comparative fee and expense information that had been provided in connection with the May Meetings. In this regard, the Board was presented with, and considered, information regarding the contractual advisory fee rates, total expense ratios and each element of the Fund's total expense ratio (i.e., gross and net advisory fees, administrative fees, custody fees, portfolio accounting fees and transfer agency fees) relative to an appropriate group of peer funds compiled by Federated Hermes from the category of peer funds selected by Morningstar (the "Expense Peer Group"). The Board received a description of the methodology used to select the Expense Peer Group from the overall Morningstar category. The Board also reviewed comparative information regarding the fees and expenses of the broader group of funds in the overall Morningstar category.

While mindful that courts have cautioned against giving too much weight to comparative information concerning fees charged to funds by other advisers, the use of comparisons between the Fund and its Expense Peer Group assisted the Board in its evaluation of the Fund's fees and expenses. The Board focused on comparisons with other registered funds with comparable investment programs more heavily than non-registered fund products or services because such comparisons are believed to be more relevant. The Board considered that other registered funds are the products most like the Fund, in that they are readily available to Fund shareholders as alternative investment vehicles, and they are the type of investment vehicle, in fact, chosen and maintained by the Fund's shareholders. The Board noted that the range of such other registered funds' fees and expenses, therefore, appears to be a relevant indicator of what investors have found to be reasonable in the marketplace in which the Fund competes.

The Board reviewed the contractual advisory fee rate, net advisory fee rate and other expenses of the Fund and noted the position of the Fund's contractual advisory fee rate and other expenses relative to its Expense Peer Group. In this regard, the Board noted that the contractual advisory fee rate was above the median of the Expense Peer Group, but the Board noted the applicable waivers and reimbursements, and that the overall expense structure of the Fund remained competitive in the context of other factors considered by the Board.

The Board also received and considered information about the nature and extent of services offered and fees charged by Federated Hermes to other types of clients with investment strategies similar to those of the Federated Hermes Funds, including non-registered fund clients (such as institutional separate accounts) and third-party unaffiliated registered funds for which the Adviser or its affiliates serve as sub-adviser. The Board noted the CCO's conclusion that non-registered fund clients are inherently different products due to the following differences, among others: (i) different types of targeted investors; (ii) different applicable laws and regulations; (iii) different legal structures; (iv) different average account sizes and portfolio management techniques made necessary by different cash flows and different associated costs; (v) the time spent by portfolio managers and their teams (among other personnel across various departments, including legal, compliance and risk management) in reviewing securities pricing and fund liquidity; (vi) different administrative responsibilities; (vii) different degrees of risk associated with management; and (viii) a variety of different costs. The Board also considered information regarding the differences in the nature of the services required for Federated Hermes to manage its proprietary registered fund business versus managing a discrete pool of assets as a sub-adviser to another institution's registered fund, noting the CCO's view that Federated Hermes generally performs significant additional services and assumes substantially greater risks in managing the Fund and other Federated Hermes Funds than in its role as sub-adviser to an unaffiliated third-party registered fund. The Board noted that the CCO did not consider the fees for providing advisory services to other types of clients to be determinative in judging the appropriateness of the Federated Hermes Funds' advisory fees.

Based on these considerations, the Board concluded that the fees and total operating expenses of the Fund, in conjunction with other matters considered, are reasonable in light of the services provided.

Profitability

The Board received and considered profitability information furnished by Federated Hermes, as requested by the CCO. Such profitability information included revenues reported on a fund-by-fund basis and estimates of the allocation of expenses made on a fund-by-fund basis, using allocation methodologies specified by the CCO and described to the Board. The Board considered the CCO's view that, while these cost allocation reports apply consistent allocation processes, the inherent difficulties in allocating costs on a fund-by-fund basis continues to cause the CCO to question the precision of the process and to conclude that such reports may be unreliable because a single change in an allocation estimate may dramatically alter the resulting estimate of cost and/or profitability of a Federated Hermes Fund and may produce unintended consequences. In addition, the Board considered the CCO's view that the allocation methodologies used by Federated Hermes in estimating profitability for purposes of reporting to the Board in connection with the continuation of the Contract are consistent with the methodologies previously reviewed by an independent consultant. The Board noted that the independent consultant had previously conducted a review of the allocation methodologies and reported to the Board that, although there is no single best method to allocate expenses, the methodologies used by Federated Hermes are reasonable. The Board considered the CCO's view that the estimated profitability to the Adviser from its relationship with the Fund was not unreasonable in relation to the services provided.

The Board also reviewed information compiled by Federated Hermes comparing its profitability information to other publicly held fund management companies, including information regarding profitability trends over time. The Board recognized that profitability comparisons among fund management companies are difficult because of the variation in the type of comparative information that is publicly available, and the profitability of any fund management company is affected by numerous factors. The Board considered the CCO's conclusion that, based on such profitability information, Federated Hermes' profit margins did not appear to be excessive. The Board also considered the CCO's view that Federated Hermes appeared financially sound, with the resources necessary to fulfill its obligations under its contracts with the Federated Hermes Funds.

Economies of Scale

The Board received and considered information about the notion of possible realization of “economies of scale” as a fund grows larger, the difficulties of determining economies of scale at an individual fund level, and the extent to which potential scale benefits are shared with shareholders. In this regard, the Board considered that Federated Hermes has made significant and long-term investments in areas that support all of the Federated Hermes Funds, such as: portfolio management, investment research and trading operations; shareholder services; compliance; business continuity, cybersecurity and information security programs; internal audit and risk management functions; and technology and use of data. The Board noted that Federated Hermes’ investments in these areas are extensive and are designed to provide enhanced services to the Federated Hermes Funds and their shareholders. The Board considered that the benefits of these investments are likely to be shared with the family of Federated Hermes Funds as a whole. In addition, the Board considered that fee waivers and expense reimbursements are another means for potential economies of scale to be shared with shareholders and can provide protection from an increase in expenses if a Federated Hermes Fund’s assets decline. The Board considered that, in order for the Federated Hermes Funds to remain competitive in the marketplace, Federated Hermes has frequently waived fees and/or reimbursed expenses for the Federated Hermes Funds and has disclosed to shareholders and/or reported to the Board its intention to do so (or continue to do so) in the future. The Board also considered that Federated Hermes has been active in managing expenses of the Federated Hermes Funds in recent years, which has resulted in benefits being realized by shareholders.

The Board also received and considered information on adviser-paid fees (commonly referred to as “revenue sharing” payments) that was provided to the Board throughout the year and in connection with the May Meetings. The Board considered that Federated Hermes and the CCO believe that this information is relevant to considering whether Federated Hermes had an incentive to either not apply breakpoints, or to apply breakpoints at higher levels, but should not be considered when evaluating the reasonableness of advisory fees. The Board also noted the absence of any applicable regulatory or industry guidelines economies of scale, which is compounded by the lack of any uniform methodology or pattern with respect to structuring fund advisory fees with breakpoints that serve to reduce the fees as a fund attains a certain size.

Other Benefits

The Board considered information regarding the compensation and other ancillary (or “fall-out”) benefits that Federated Hermes derived from its relationships with the Federated Hermes Funds. The Board noted that, in addition to receiving advisory fees under the Federated Hermes Funds’ investment advisory contracts, Federated Hermes’ affiliates also receive fees for providing other services to the Federated Hermes Funds under separate service contracts including for serving as the Federated Hermes Funds’ administrator and distributor. In this regard, the Board considered that certain of Federated Hermes’ affiliates provide distribution and shareholder services to the Federated Hermes Funds, for which they may be compensated through distribution and servicing fees paid pursuant to Rule 12b-1 plans or otherwise. The Board also received and considered information detailing the benefits, if any, that Federated Hermes may derive from its receipt of research services from brokers who execute portfolio trades for the Federated Hermes Funds.

Conclusions

The Board considered: (i) the CCO’s conclusion that his observations and the information accompanying the CCO Fee Evaluation Report show that the management fee for the Fund is reasonable; and (ii) the CCO’s recommendation that the Board approve the management fee. The Board noted that, under these circumstances, no changes were recommended to, and no objection was raised to the continuation of, the Contract by the CCO. The CCO also recognized that the Board’s evaluation of the Federated Hermes Funds’ advisory and sub-advisory arrangements is a continuing and ongoing process that is informed by the information that the Board requests and receives from management throughout the course of the year and, in this regard, the CCO noted certain items for future reporting to the Board or further consideration by management as the Board continues its ongoing oversight of the Federated Hermes Funds.

On the basis of the information and factors summarized above, among other information and factors deemed relevant by the Board, and the evaluation thereof, the Board, including the Independent Trustees, unanimously voted to approve the continuation of the Contract. The Board based its determination to approve the Contract on the totality of the circumstances and relevant factors and with a view of past and future long-term considerations. Not all of the factors and considerations identified above were necessarily deemed to be relevant to the Fund, nor did the Board consider any one of them to be determinative.

Liquidity Risk Management Program – Annual Evaluation of Adequacy and Effectiveness

In accordance with Rule 22e-4 under the Investment Company Act of 1940, as amended (the “Liquidity Rule”), Federated Hermes Insurance Series (the “Trust”) has adopted and implemented a liquidity risk management program (the “Program”) for Federated Hermes Quality Bond Fund II (the “Fund” and, collectively with the other non-money market open-end funds advised by Federated Hermes, the “Federated Hermes Funds”). The Program seeks to assess and manage the Fund’s liquidity risk. “Liquidity risk” is defined under the Liquidity Rule as the risk that the Fund is unable to meet redemption requests without significantly diluting remaining investors’ interests in the Fund. The Board of Trustees of the Trust (the “Board”) has approved the designation of each Federated Hermes Fund’s investment adviser as the administrator for the Program (the “Administrator”) with respect to that Fund. The Administrator, in turn, has delegated day-to-day responsibility for the administration of the Program to multiple Liquidity Risk Management Committees, which are comprised of representatives from certain divisions within Federated Hermes.

The Program is comprised of various components designed to support the assessment and/or management of liquidity risk, including: (1) the periodic assessment (no less frequently than annually) of certain factors that influence the Fund’s liquidity risk; (2) the periodic classification (no less frequently than monthly) of the Fund’s investments into one of four liquidity categories that reflect an estimate of their liquidity under current market conditions; (3) a 15% limit on the acquisition of “illiquid investments” (as defined under the Liquidity Rule); (4) to the extent a Fund does not invest primarily in “highly liquid investments” (as defined under the Liquidity Rule), the determination of a minimum percentage of the Fund’s assets that generally will be invested in highly liquid investments (an “HLIM”); (5) if a Fund has established an HLIM, the periodic review (no less frequently than annually) of the HLIM and the adoption of policies and procedures for responding to a shortfall of the Fund’s highly liquid investments below its HLIM; and (6) periodic reporting to the Board.

At its meetings in May 2023, the Board received and reviewed a written report (the “Report”) from the Federated Hermes Funds’ Chief Compliance Officer and Chief Risk Officer, on behalf of the Administrator, concerning the operation of the Program for the period from April 1, 2022 through March 31, 2023 (the “Period”). The Report addressed the operation of the Program and assessed the adequacy and effectiveness of its implementation, including, where applicable, the operation of any HLIM established for a Federated Hermes Fund. There were no material changes to the Program during the Period. The Report summarized the operation of the Program and the information and factors considered by the Administrator in assessing whether the Program has been adequately and effectively implemented with respect to the Federated Hermes Funds. Such information and factors included, among other things:

- confirmation that it was not necessary for the Fund to utilize, and the Fund did not utilize, any alternative funding sources that were available to the Federated Hermes Funds during the Period, such as the Federated Hermes Funds’ interfund lending facility, redemptions in-kind, reverse repurchase agreement transactions, redemptions delayed beyond the normal T+1 settlement but within seven days of the redemption request, and committed lines of credit;
- the periodic classifications of the Fund’s investments into one of four liquidity categories and the methodologies and inputs used to classify the investments, including the Fund’s reasonably anticipated trade size;
- the analysis received from a third-party liquidity assessment vendor that is taken into account in the process of determining the liquidity classifications of the Fund’s investments, and the results of the Administrator’s evaluation of the services performed by the vendor in support of this process, including the Administrator’s view that the methodologies utilized by the vendor continue to be appropriate;
- the fact that the Fund invested primarily in highly liquid investments during the Period and, therefore, was not required to establish, and has not established, an HLIM and the operation of the procedures for monitoring the status of the Fund as investing primarily in highly liquid investments;
- the fact that the Fund invested no more than 15% of its assets in illiquid investments during the Period, and the operation of the procedures for monitoring this limit;
- the fact that there were no liquidity events during the Period that materially affected the Fund’s liquidity risk;
- the impact on liquidity and management of liquidity risk, if any, caused by extended non-U.S. market closures and confirmation that there were no issues for any of the affected Federated Hermes Funds in meeting shareholder redemptions at any time during these temporary non-U.S. market closures.

Based on this review, the Administrator concluded that the Program is operating effectively to assess and manage the Fund’s liquidity risk, and that the Program has been and continues to be adequately and effectively implemented to monitor and, as applicable, respond to the Fund’s liquidity developments.

Voting Proxies on Fund Portfolio Securities

A description of the policies and procedures that the Fund uses to determine how to vote proxies, if any, relating to securities held in the Fund's portfolio is available, without charge and upon request, by calling 1-800-341-7400, Option #4. A report on "Form N-PX" of how the Fund voted any such proxies during the most recent 12-month period ended June 30 is available via the Proxy Voting Record (Form N-PX) link associated with the Fund and share class name at FederatedHermes.com/us/FundInformation. Form N-PX filings are also available at the SEC's website at sec.gov.

Quarterly Portfolio Schedule

Each fiscal quarter, the Fund will file with the SEC a complete schedule of its monthly portfolio holdings on "Form N-PORT." The Fund's holdings as of the end of the third month of every fiscal quarter, as reported on Form N-PORT, will be publicly available on the SEC's website at sec.gov within 60 days of the end of the fiscal quarter upon filing. You may also access this information via the link to the Fund and share class name at FederatedHermes.com/us.

Variable investment options are not bank deposits or obligations, are not guaranteed by any bank and are not insured or guaranteed by the U.S. government, the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency. Investment in variable investment options involves investment risk, including the possible loss of principal.

This Report is authorized for distribution to prospective investors only when preceded or accompanied by the Fund's Prospectus, which contains facts concerning its objective and policies, management fees, expenses and other information.

IMPORTANT NOTICE ABOUT FUND DOCUMENT DELIVERY

In an effort to reduce costs and avoid duplicate mailings, the Fund(s) intend to deliver a single copy of certain documents to each household in which more than one shareholder of the Fund(s) resides (so-called "householding"), as permitted by applicable rules. The Fund's "householding" program covers its/their Prospectus and Statement of Additional Information, and supplements to each, as well as Semi-Annual and Annual Shareholder Reports and any Proxies or information statements. Shareholders must give their written consent to participate in the "householding" program. The Fund is also permitted to treat a shareholder as having given consent ("implied consent") if (i) shareholders with the same last name, or believed to be members of the same family, reside at the same street address or receive mail at the same post office box, (ii) the Fund gives notice of its intent to "household" at least sixty (60) days before it begins "householding" and (iii) none of the shareholders in the household have notified the Fund(s) or their agent of the desire to "opt out" of "householding." Shareholders who have granted written consent, or have been deemed to have granted implied consent, can revoke that consent and opt out of "householding" at any time: shareholders who purchased shares through an intermediary should contact their representative; other shareholders may call the Fund at 1-800-341-7400, Option #4.

Notes



Federated Hermes Quality Bond Fund II
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Contact us at [FederatedHermes.com/us](https://www.federatedhermes.com/us)
or call 1-800-341-7400.

Federated Securities Corp., Distributor

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